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and

FINANCIAL MANAGEMENT

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Start of Page

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In Measuring Cost of Credit Department

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JULY 1953

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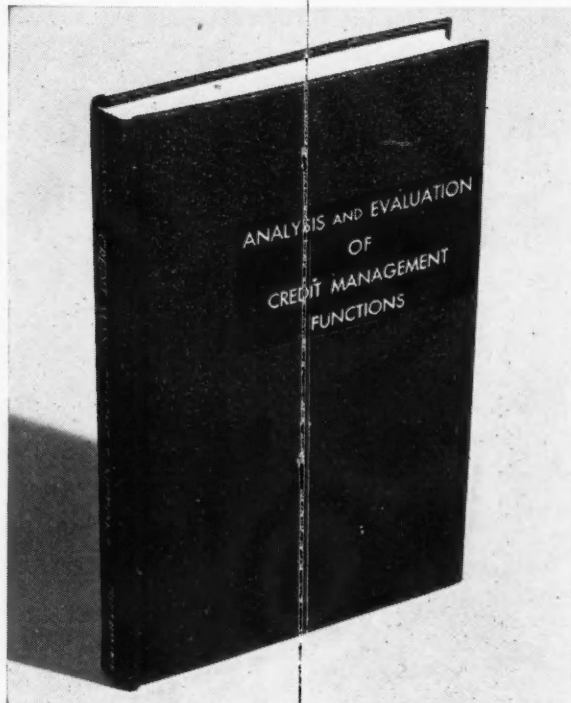
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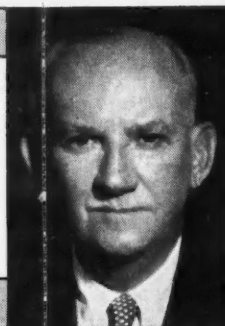
**PUBLICATIONS DEPARTMENT
NATIONAL ASSOCIATION OF CREDIT MEN**

229 Fourth Avenue

New York 3, N.Y.



Editorial



Extravagance versus Confidence

FOR A QUARTER of a century our people have been concerned about the tremendous cost of government. The extravagance of government and the allegedly profligate spending have been a favorite subject of every candidate for office during the past decades. So frequently has the government been accused of reckless extravagance that the American people are convinced government costs are far too high. This conviction places a responsibility on any administration that may be in power.

Except in case of total war, it may be fairly stated that by far the majority of our citizens are demanding a much lower cost of government. Whether fairly or unfairly, these demands carry with them some measure of impatience. Since they are convinced that our government has been spending their dollars recklessly and so extravagantly, it is obvious that people are not to be satisfied with a small reduction in government expenditures. They will be patient only if a small reduction in expenditures is accompanied by the assurance that it is merely the beginning of a much deeper cut and that additional reductions in our budgets are being scheduled month by month.

No Administration will be able to rest easy if it spends, let us say, ninety cents where heretofore the government charged with reckless extravagance has spent a dollar. This measure of reduction in spending does not square with the charges made against extravagance, waste and the misuse of tax money.

The cost of government must be reduced much more if our people are to be content. They have reached the point where their tax burden is such that they insistently demand some tax relief, and that relief they know can come in a sound way only if government costs are reduced and the budget balanced—and they expect it to be balanced on a reduced tax schedule.

Except in case of war, all of the insistence and contentions that it is impossible to reduce government outlays will fall on deaf ears. The government has or has not been extravagant. Most people think it has been extremely extravagant. It would be rather embarrassing for any elected officials to contend now that all of the charges about this government extravagance throughout this quarter of a century were so much campaign oratory.

A continuation of high government costs will cause people to lose confidence. A reduction of government costs will bring restored confidence in their government. These are facts that those who have been elected to office must keep before them when they consider government appropriations.

A stylized, handwritten signature in dark ink, reading "Henry H. Heimann". The signature is fluid and cursive, with a long, sweeping underline.

HENRY H. HEIMANN,
Executive Vice President.

THE JULY COVER

WITH the internationally pitched overtones still measuring their decibels, in recollection, from the microphones of the speakers platform of the Credit Congress at Montreal, the 1953-54 official family of the National Association of Credit Men has gone to work.

The new president, D. M. Messer (third from left), vice president and



general manager of the Dohrmann Commercial Company, San Francisco, has as his seconds in command two new association vice presidents and one reelectee.

They are (left to right) Irwin Stumborg, assistant treasurer of the Baldwin Piano Company, Cincinnati, for the central division; George T. Stockfleth, assistant secretary-treasurer, California Wire Cloth Corporation, Oakland, western division; and at extreme right C. Herbert Bradshaw, general credit manager, Bausch & Lomb Optical Company, Rochester, N.Y., who continues to represent the eastern division.

Seventeen years of service have been given to National by Vice President Bradshaw, first elected to this office at Houston last year after membership on the N.A.C.M. board of directors and the nominations and executive committees. Past president of the Rochester Association of Credit Men, he held a succession of other posts in the local organization.

Mr. Stumborg, born in St. Louis, where he passed the Missouri Bar examination, left the accounting department of Swift & Company to join Baldwin. In 1930 he was transferred to the general offices in Cincinnati as credit manager and assistant secretary, advancing to assistant treasurer. In National, besides having been a director and in 1950-52 chairman of the *Credit and Financial Management* committee, he has served on the nominations, publications and executive committees. He was president of the Cincinnati Association of Credit Men 1947-48.

As assistant treasurer of The California Wire Cloth Corporation Mr. Stockfleth's responsibilities are multifold.

Past president of the Wholesalers Credit Association of Oakland (1943), he served on the board continuously after 1938. He is a member of the San Francisco Control of the Controllers Institute of America and the National Association of Cost Accountants.

CREDIT and FINANCIAL MANAGEMENT

DEVOTED TO INDUSTRY * FINANCE * COMMERCE

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❏ FINAL AUTHORITY to initiate controls of prices, wages and rents, whether the standby variety or no, returns to Congress under the amended S. 1081 (the Capehart bill) passed by the Senate.

The adopted Byrd amendment takes the Presidential finger off the trigger by making Section 801(a) read: "The President is authorized and directed, whenever the United States has declared war against a foreign nation, or any foreign nation has declared war against the United States without a declaration of war, or whenever the Congress by concurrent resolution shall find and declare . . . to establish simultaneously by executive order ceilings on (1) the prices, rental commissions . . ."

Under another amendment, actually of limitation, Section 606 provides that "no authority under this title shall be initially invoked with respect to either consumer credit controls or real estate construction credit controls unless and until the President has established ceilings on prices, wages and rents, pursuant to the authority contained in Section 801 . . ."

Says William J. Cheyney, vice president of the National Foundation for Consumer Credit, Inc., "This ties down the potential application of Regulation W to (1) a 90-day maximum; (2) the terminal date of wage and price controls if this is less than 90 days; (3) a real war situation."

Earlier the Senate banking and currency committee had amended the measure to take the control authority away from the Federal Reserve governors and place it in the hands of the President, under the so-called Maybank amendment. This amendment had "left business in the position of considering the value versus danger of broad standby economic authority," but Mr. Cheyney estimated that "it is conservative to say that 90 per cent of the 'business' testimony before the committee was in strong opposition to the standby principle."

Expressing the Foundation's opposition to "the inclusion of any credit control authority in S. 1081, which in the long run means that it must oppose S. 1081 in the entirety," Mr. Cheyney declared "the country is safer, even in the emergency of war, with legislative authority remaining in the hands of Congress." He added: "Certainly in time of peace, short of dire emergency, the overhanging threat of 'standby authority' would deaden the initiative of business and industry at every level, and undermine the

economic and social progress which this incentive makes possible."

In the current international game of weaseling any kind of definition out of any word, making the crime fit the punishment, a la Red Russia's perpetual crying of her peace motivation when there is no peace and no intention of peace, the 57th Congress of the National Association of Credit Men at Montreal expressed itself unequivocally when it adopted this resolution: "This Convention goes on record against any federal enactment of standby authority to institute direct economic controls."

The House banking committee okayed a measure for economic controls, but first eliminated a policy declaration pledging the Government "to support collective action through the United Nations."

❏ SPEAKING of controls of a monetary nature, Chairman Martin of the Federal Reserve Board said in Boston that when economic stability no

THAT "LOWLY" SPUD AGAIN

The potato tragicomedy thriller, original third-dimension "who-dun-nit" of the federal control screen, threatens to erupt with some new chapters.

Urging legislation to return the spud to price support eligibility, the National Potato Council and the National Council of Farm Cooperatives have placed their pleas before the House agricultural committee. They'll have to hurdle the opposition expressed by the American Farm Bureau Federation.

longer is jeopardized by dangers of inflation, the Government will effect a "liberal easing" of its current policies—but he made no reference to any date of such "easing."

❏ SURELY some kind of showdown on taxes and Governmental expenditures can be expected in Congress before long, with elections just around the corner—unless, of course, congressmen decide to ride it out in silence and if the public has grown so inarticulate that it isn't even interested any more in the Administration party's campaign platform promises of (1) "a general tax reduction" and (2) "reduction of expendi-

tures by the elimination of waste and extravagance."

With expense cuts so small that a balanced budget isn't even in the calculable future, continued deficits in store and so no tax relief before next January 1 at the earliest, congressmen have the prospect of facing the voters with either favoring more deficits or cutting the pipeline to the White House.

Apparently the Administration leaders are moving to avert such showdown, by trying out certain compromises "for size." The excess profits tax would be extended to January 1st, but the social security payroll tax of 1½ per cent each on employer and employee would be frozen, rather than go up to 2 per cent at year end.

The remainder of the White House tax program would be held in abeyance. This requests retention of the high tax rate on normal business profits, though the law calls for reduction of the normal corporate rate to 47 per cent next April 1st from the 52 per cent, also retention of the excise tax increase. For the voters there would be a 10 per cent paring of income taxes but not before January.

And business is squarely in the middle.

¶ A PERMANENT, autonomous and independent Small Business Administration is the objective of a bill introduced by Rep. William S. Hill of Colorado. The measure calls for availability of direct loans and technical assistance, guarantees of participation in defense production, and concentration of programs in one independent agency, to prevent waste of money and time in duplicated functions.

¶ COMES NOW the likelihood of federal control of use of farm production next year, following the department of agriculture revised estimate of 16 million more winter wheat bushels, to a total of 729,884,000. If the average 285 million bushel spring wheat crop is produced there would be a full wheat crop of 1.14 billion bushels. And there are 600 million bushels from previous years already throwing up their own problems of surplus.

¶ THE INDUSTRIAL production's slight drop in April, and leveling off at that month's figure in May, marked the first dip in production rate since July of last year.

¶ H. EARL COOK of Bucyrus, Ohio, is the new chairman of the board of the Federal Deposit Insurance Corporation. Maple T. Harl of Denver, Colo., who had nominated Mr. Cook to succeed him, continues as a member of the directorate.

¶ MADAME Representative Harden's House government operations committee opened hearings on competition of the federal government's commercial and industrial enterprises against private industry. Mrs. Harden said the government's

100 commercial activities range from coffee roasting and baking to manufacture of eye glasses and operation of nurseries. A subcommittee recommended that the government "cease unfair competition" with private business.

¶ PRESIDENT Eisenhower's ideas for reorganizing the department of agriculture have the indorsement of the Senate government operations committee. Under the plan, Secretary Ezra T. Benson would get more authority over the semi-independent agencies and bureaus.

¶ THE TAX SETUP at present does not give small business a chance to accumulate funds for expansion programs, a House subcommittee was told by representatives of a number of associations and companies.

¶ ELIMINATION of Government subsidies from the farm credit system, divorcement of the farm credit administration from the department of agriculture, and a franchise tax on federal farm credit agencies were proposed by the American Bankers Association in testimony before the House agricultural committee.

The bipartisan Aiken-Ellender bill to give farmers a larger voice in federal farm credit requires material changes before the department of agriculture can support it, Undersecretary True D. Morse told Senators, asking them to postpone consideration of the measure.

¶ CONFIRMING the predictions of John Jay Hopkins of General Dynamics Corporation, at the Credit Congress in Montreal, that the atomic energy commission would look with favor on giving private enterprise an opportunity to develop nuclear power for peace pursuits, the commission has placed before the joint congressional committee a proposal for legislation to erase from the atomic energy act many of the obstacles to private development.

¶ AN APPROPRIATION bill for \$416 millions for Engineer Corps work on flood control and river and harbor improvement, beginning July 1st, was passed by the House.

¶ A SPOKESMAN for the National Small Business Men's Association called for a ban on industry-wide collective bargaining. He was addressing the House labor committee.

OFFICIAL TEXTS—of all mobilization agency regulations may be had, free of charge, by writing the Information Division of the agency involved, Washington 25, D.C.

THE FEDERAL REGISTER—a Government daily publication, which contains full texts of all regulations, is available from the Superintendent of Documents, also at Washington 25.

Holding the Account

Buyers' Market Brings Special Finance Plan

Credit exposure in a market wherein the buyer is king presents its own problems. *Credit and Financial Management* asked a few company executives how many days' volume they carry in accounts receivable, how they go about holding the number of days to a minimum, and how often an appraisal of accounts receivable is made. Here are some representative replies.

Seasonal Business, Complete Age Analysis Made Quarterly

INSO FAR as our industry is concerned, and speaking specifically of International Shoe Company, I find that because our business is seasonal, it is not possible for me to state definitely how many days sales volume we carry in our accounts receivable.

Our regular terms are 60 days net; however, in spring and fall we have a seasonal dating. For the spring season we commence shipping in December on terms as of February 1st, 60 days net, and for the fall season we commence shipping in June on terms as of August 1st, 60 days net.

We maintain a very close control over our accounts receivable, compiling a complete age analysis quarterly. In addition our accounts receivable department is required to compile a monthly collection report against those quarterly accounts receivable age analyses.

In our fiscal year 1952, beginning December 1, 1951 and ending November 30, 1952, the collection period of our major general divisions averaged 65 days.

W. D. WIEBRACHT

Credit Manager, Friedman-Shelby Division, International Shoe Company, St. Louis, Missouri

When W. D. WIEBRACHT was 14 years old he took a job at a bakery, but two weeks convinced him that would not produce the right kind of "dough," so he joined the Witte Hardware Company in St. Louis as an office clerk. Two years later he was an office clerk with the Bauer Flour Company. In 1918 Friedman Shelby Shoe Company employed him as a bookkeeper, hand-posting accounts receivable, debits and credits. J. T. Pettus, vice chairman for

many years before his retirement, decided to make a credit man out of him. In 1925 the company assigned him to take over a division. Five years ago he succeeded W. C. Durham as credit manager of the Friedman-Shelby Division, and recently International Shoe Company appointed him general credit manager.

Several Procedures Help Hold Accounts Receivable Age Low

WE carry in accounts receivable approximately thirty-three days' sales volume.



ANTHONY AMEDURI

I think our policy on receivables is similar to other businesses in our same field.

We follow several procedures to hold to a minimum the number of days' sales volume in accounts receivable.

Our terms are 2 per cent 10th prox. This of course will induce customers that are financially able to discount their invoices, thereby speeding up payments.

On all new accounts a credit application form is completed and a thorough analysis is made of the account.

A recapitulation of the analysis is made and credit lines plus the results of the analysis are recorded.

An active collection policy is followed daily.

We make a monthly appraisal of our accounts receivable on a 30-60-90-prior days, aging analysis.

ANTHONY AMEDURI

Credit Manager, Mahoning Valley Supply Company, Youngstown, Ohio

ANTHONY AMEDURI, credit manager of the Mahoning Valley Supply Company in Youngstown, Ohio, and its branches, since 1946, attended Youngstown College, majoring in accounting, and was named vice president of his accounting fraternity. He attends the Graduate School of Credit and Financial Management conducted at Dartmouth College by the National Association of Credit Men.

Letter Monthly to Past Due Accounts; Follow-up in a Week

OUR average accounts receivable run from 28 to 30 days on our books.

So far as we are able to ascertain through reports from the National Paint, Varnish and Lacquer Association, our picture is pretty general in the paint manufacturing business. Our terms are 2% 10th prox. net 30th prox. We start our collection procedure as soon as an account becomes past due, which is revealed by our statement sent to the customer the first day of each month.

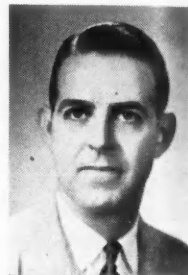
We do not make a monthly appraisal of our accounts receivable; however, between the 1st and 10th of each month we write a letter to all past due accounts, hold the copies of each letter and follow up if the account is not paid within a week or 10 days.

We make a complete analysis of all of our accounts receivable at mid-year and in October, and exerted effort is put forth after the October analysis in order to bring all accounts into the best possible condition before closing our books in December.

W. A. SKIPPER

Controller, Stebbins & Roberts, Inc., Little Rock, Arkansas

Growing with his company, Stebbins & Roberts, Inc., of Little Rock, Ark., which he entered in 1937, WALTER A. SKIPPER in 1944 became office manager in addition to credit manager. Five years later he was elected controller. Mr. Skipper is president of the Little Rock Wholesale Credit Association.



W. A. SKIPPER

Receivable in Line

frequent Letters, Thorough Periodic Analyses

Time-Payment Finance Plan Holds Exposure to Minimum

—says H. F. B. Kerr, Credit Manager, Bendix Radio, Division of Bendix Aviation Corporation, Baltimore, Maryland

IN all my years of credit management I have never seen a period since the early 30's where there was



H. F. B. KERR

so much interest in and conjecture about receivables as exists today.

Bendix Radio Division actually is composed of two Bendix Divisions. Bendix Radio Communication Division manufactures highly technical electronic communication equipment such as radar, airplane radio controls, airplane instrument landing equipment and two-way mobile radio transmitting and receiving equipment, etc. These products are channeled to customers that fall into the following groups:

1. Armed forces
2. Airplane manufacturers
3. Airlines and railroads
4. State, city and county radio transmitting installations
5. Industrial radio installations
6. Taxicab mobile radio equipment

In the above breakdown, it is obvious that the major credit exposure experienced by the Radio Communication Division is in the sale of equipment to taxicab operators. We keep this exposure to a minimum by the use of a time-payment finance plan that is factory-sponsored and that uses local banks as the financing media. Such a program reduces the dollar investment in receivables and limits exposure by the use of retain title contracts in the place of open-account.

Investment in receivables, even under these conditions, is still substantial, primarily because of accounting intricacies between our receivables section and the payable sections of the governmental agencies

We offer a cash discount because—

Our experience in discounting bills has been so satisfactory we want to emphasize its advantages to you.

When you do not discount a \$1,000 Weldwood invoice under our ten day terms you lose \$20.00.

This figures about 36% interest for the use of \$980 for the 20 extra days when the bill becomes due net.

Here's how it can work for you:

IF YOU BUY AND PAY	YOU SAVE	SAVINGS IN A YEAR
\$250 every 10 days	at the rate of \$15 per mo.	\$180
500 " " "	" " " " 30 " "	360
1,000 " " "	" " " " 60 " "	720
3,000 " " "	" " " " 120 " "	1440
5,000 " " "	" " " " 300 " "	3600
10,000 " " "	" " " " 600 " "	7200
15,000 " " "	" " " " 900 " "	10,800

You could probably borrow enough at $\frac{1}{2}$ of 1% per month to permit earning these cash discounts. Apart from being the safest investment available to you this practice improves your credit and buying power.

Collateral now "idle" could be working for you without the loss of interest or dividends.

Why not discuss the idea with your banker?



UNITED STATES PLYWOOD CORPORATION

EMPHASIZING the advantages of providing for cash discounts, customers are receiving the above card from the United States Plywood Corporation, New York, of which F. W. Zander is assistant treasurer. Mr. Zander is a director of the N.A.C.M.

and the heavy industry customers to whom we sell. Our investment in receivables does not vary with changing economic conditions, and usually represents a total receivables figure equalling six weeks sales volume.

The other Radio Division is Bendix Television and Broadcast Receiver Division. This Division manufactures television receivers, radios and clock-radios. Sales are made primarily to distributors throughout the United States with a small percentage of sales being made direct to key dealers.

Exposure Relatively High

In this operation, credit exposure is relatively high, due to the fact that a substantial volume of sales is made to independent distributors whose net worth is ordinarily made up almost entirely of accounts receivable and inventory. The manner in which smaller independent distributors are able to pay us depends largely on the experience they are having in collecting their own receivables.

Several months ago this Division's credit department anticipated the re-

cession that is now being experienced in the appliance field, and determined that a flexible and comprehensive finance plan would be the best bulwark against a slowing up of sales and receivables. As a result, both our sales and credit departments have been spending a large portion of their efforts in developing and promoting what we now call the Bendixplan.

Channeled via Local Banks

This finance plan is factory-promoted and channeled through local banks. Through it our distributors are able to floor-plan large purchases from the factory, in turn clear their floor-plan by a similar factory-sponsored floor-plan program to dealers, and the dealer can then clear his floor-plan by turning over to the Bendixplan bank consumer paper covering his retail sales—the discounting of this paper being under a factory sponsored plan.

It is already evident that this program will materially reduce our receivables exposure, and we are con-

(Concluded on page 32)

A Problem for the Book and How It Was Solved

A Feature Series on MANAGEMENT AT WORK

THREE men visited our plant preparatory to starting a good sized dairy. Considerable time was spent in our various offices. Finally they arrived at the credit department, to discuss their financial situation and ascertain what we might be willing to do for them in the way of a line of credit.

They were all businessmen and made a favorable impression. They of course were willing to supply all the financial information requested and seemed easy to get along with and very cooperative.

F. CLIFFORD HEATH is credit manager of Sealright Company, Inc., Fulton, N.Y., which manufactures and sells food, ice cream and milk containers and milk bottle closures, throughout the United States and Canada. Mr. Heath is therefore credit shepherd to a wide variety of accounts large and small, in an industry of changing trends. He became credit manager in 1940.

President of the Syracuse Association of Credit Men for two terms, 1940-42, Mr. Heath was a director of the National Association of Credit Men 1943-47 and has been a member of numerous national and local committees. He was chairman of the Paper Products and Converters and Fine Paper Industry Group at the Convention in Montreal in May.

He is active in community and church work in Fulton, headquarters of Sealright.

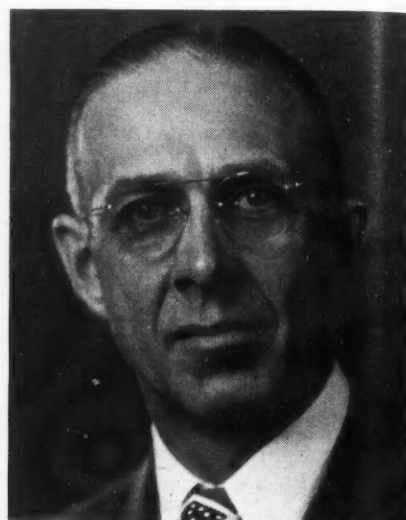
Substantial credit was to be required for the operation. Actually they did not have much capital. Judged on the traditional three C's, they appeared to stack up very well so far as CHARACTER and CAPACITY were concerned, but they were light on the CAPITAL side. Nevertheless, it was decided to go along with them. We carefully explained our terms and what we expected with regard to payment of bills.

Slow Pay First Six Months

During the first six months period they were slow in taking care of their account, up to about 60 days. We were not too concerned because we realized this was a new business, and normally a substantial profit is not realized immediately. We kept after them in the usual way by mail, with friendly credit letters, but made no attempt to exert any pressure.

The second six months period was about the same, except that they slowed down a little bit more and seemed to be having more difficulty in retiring their bills. The business was increasing all the time; their sales were very good, but their account due us was getting larger.

After being in business a little over a year, still slow pay, they started making partial payments on invoices. It was necessary to remind them continually of our terms and that we expected payments to be made accordingly. Finally they admitted they were experiencing considerable difficulty with their accounts receivable and in some cases were held up three or four months. Since they did not have sufficient CAPITAL to start with,



F. CLIFFORD HEATH
Credit Manager
Sealright Company, Inc.
Division Oswego Falls Corporation
Fulton, N.Y.

this created quite a problem for them. We told them that it was extremely important for them to lay down the law to their creditors and get their money when it was due; otherwise, they were going to be in serious financial trouble.

When, despite our urgings and warnings, their payments to us showed no improvement in the next month, we finally had to become very emphatic and explain that we were going to be compelled to withhold shipments unless their checks came in more promptly, in accordance with terms. This ultimatum was presented by telephone, directly to the manager, who is a mighty fine chap. He did not in any way resent our application of this pressure; he recognized the fact we had no alternative.

Not more than three weeks later

the manager phoned me and said he felt we had done him the biggest favor he had experienced since he had started in business, when I had advised him that we definitely had to have our money on time or it would not be possible to ship merchandise. He said he realized the time had come when he had to go out and straighten out his accounts, and that was exactly what he had done.

He apparently used the same tactics that we had found necessary with him, and had informed his customers that payment had to be made promptly or further merchandise would just not be coming along. He was able to call for the showdown in a friendly manner, so successfully that he had kept their business and goodwill. "I am mighty happy that you talked to me the way you did and encouraged me to go out and lay down the law to my own customers," he said.

Of course it was very helpful that I knew the manager personally, and so, by continuing to "preach the gospel," we could get him to go out and get his accounts in order.

This is now one of the finest accounts we have on our books. The volume of business is increasing and payments are being made in a very prompt and satisfactory manner.

We cannot live only for ourselves. A thousand fibers connect us with our fellowmen; and along those fibers, as sympathetic threads, our actions run as causes, and they come back to us as effects.

—Melville

Debt Financing Overdone, Says Management Institute

Over-reliance on debt financing, because of tax considerations, inflation and record volume of bank deposits available for loans and the purchase of corporate bonds, calls for "a critical look at where we are going," declares the American Institute of Management.

Presented are statistics showing that railroads handled 100 per cent of new corporate financing (1946-52) by debt, industrial and miscellaneous companies 70 to 80 per cent, public utilities more than 60 per cent.

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Applied Philosophy of a New Leader of Credit

The Messer Credo: Serve One Another

CAREER man and organization man—that epitomizes the business life of Don M. Messer, new president of the National Association of Credit Men.

Thirty-three years in the service of one company, Mr. Messer is vice president, general manager, treasurer and a director of the Dohrmann Commercial Company and the Dohrmann Hotel Supply Company, corporations conducting 38 different business operations in eleven western states and Hawaii—manufacturing, jobbing, distributing, as one of the largest hotel supply concerns on the west coast.

Starting with Dohrmann Commercial in Los Angeles, where he first became affiliated with the Los Angeles Credit Association (now the Credit Managers Association of Southern California), Mr. Messer was transferred in 1928 to the executive offices in San Francisco and there exhibited immediate interest in civic progress. He was a director of the 1939-1940 San Francisco Exposition. In the Dohrmann operations he has been a director 15 years, and his name appears also on the board of directors of other concerns.

The Dohrmann companies' recognition of the value of organization of credit executives as a direct road to greater value to the businesses they represent, through the educational programs and many other services offered, is attested by the Dohrmann memberships in eleven local associations of credit men in western cities. Mr. Messer's own record has been sufficient guarantee, to the companies with which he is associated, that embracement of such a policy would repay them well.

For well over three decades the organizational capabilities of Mr. Messer have been well in evidence, as has been his knowledge of high-level credit procedure and the relation of the local unit member to the national association. Perhaps his recognition of the truth that in organization the individual credit man has a medium

at his command to work for elevation of the standards of the profession and improvement of his own qualifications had a measure of origin in the fact that his father was a college professor, on the faculty of California Institute of Technology at Pasadena.

A native of California, Don Messer was born in San Luis Obispo, has

lived in San Francisco since 1928, and attended Occidental College. He is a veteran of World War I.

Believing that the best association is the one in which all members are working members—and working members beget more members—Mr. Messer from his first days in business took seriously the duty of serving his organization on committees, always



President Don M. Messer and the First Lady

with an eye to bringing in new members of the service represented. Hence, following his transfer to San Francisco, his name has appeared on practically all committees of the Credit Managers Association of Northern and Central California—Interchange, legislative, membership, education, program, and others. He is at present vice president and a director of the San Francisco Board of Trade, which handles all adjustment cases in Central and Northern California. He was a director, then president, of the local association.

Now the larger areas of organizational service beckoned to him. Elected in 1948 to National's directorate, three years later at Boston he was named western division vice president, re-elected at Houston. No wonder that at Montreal it was announced that the western division led in membership standing.

In National, besides on the executive committee he has been a member of the Interchange, legislative, educational and other committees.

As for Mr. Messer's philosophy of credit operation and the wider fields of the nation's economy in which the N.A.C.M. functions, clues may be had from his words at Montreal when he accepted the post of president.

"It will be my purpose," he told the 2,300 delegates, "to counsel with and profit by the advice of the officers, the executive committee and your board of directors. To the best of my ability I shall carry out your mandates, to the end that we may have a year of real accomplishment.

"It is very stimulating to review the past record of the National Association of Credit Men. Over the span of 57 years we have laid a foundation which has well demonstrated the value of our organization and its continued respect and strength in the nation. In the language of the Apostle, 'We have builded a house on rock, which neither flood nor stream can shake.' I like to feel that each year we have added to our prestige and that the foundation is secure, in the fact that its contributions have come from men representing every state, from the Atlantic to the Pacific seaboard.

"We have indeed been fortunate in having not only elective leadership but administrative leadership as well. No one fails to recognize the great
(Concluded on page 32)

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How Figure Costs of Credit Department?

Manpower Largest Item, But First Know What Company Wants

HAVE YOU as credit manager ever subjected your company's credit policy to the test of having it defined by a member of your selling organization? Or by a new member of your credit staff?



J. A. WALKER

If the credit policy stands that test (and includes such subjects as terms of sale, customer relations, use of operating capital, and general requirements for granting credit) then you are ready to consider appraising your costs—that is, if you also know your objectives, says J. Allen Walker, general credit manager, Standard Oil Company of California.

Prerequisite too is knowledge of what the principals of the company are looking for, with "consideration of costs in the various segments of credit department expense related directly to the results expected," members of the Petroleum Industry Group were told at the Credit Congress in Montreal.

Important among items of cost discussed are these:

- Total personnel employed;
- Education and training;
- Credit report costs;
- Collection agency costs;
- Field work;
- Credit losses;
- Customer relationships;
- Operating capital needed to carry receivables.

Manpower is the largest single item of cost, and determining the most effective number of men and women in the credit department is predicated upon policies and objectives, Mr. Walker noted. "If you have an objective of prompt service to retail credit applicants you have an objective factor that affects the number of men you will require on retail credit approvals. If you have an objective which includes an obligation of courtesy to all credit applicants and an attempt to approve credit even if it involves the seeking of further credit facts, you have an-

other factor which affects the manpower required on approvals. If your policy involves individual determination of credit worthiness, this is also a factor affecting manpower.

"You could, as some have tried, operate on a calculated risk basis and open accounts without credit investigation or analysis. This would definitely reduce manpower otherwise required for credit analysis work.

"Your policy could require careful consideration of the circumstances of the individual debtor who temporarily cannot pay his account. This is a factor affecting manpower on collections. On the other hand,

EDUKATION in and for credit is a nonstop aim of J. Allen Walker of San Francisco, attested by the accompanying article and by his service to the profession as a member of the faculty of the Graduate School of Credit and Financial Management at Leland Stanford University.

Elected at Montreal to the directorate of the National Association of Credit Men, the general credit manager of the Standard Oil Company of California is a past president of the Credit Managers Association of Northern and Central California, and immediate past president of the American Petroleum Credit Association.

you could have a policy which provided for almost automatically placing accounts with collection agencies at certain stated periods of delinquency. This would obviously reduce the required manpower for collection work.

"You could have a specific objective concerning the use of operating capital for receivables, expressed for usable purposes as a percentage objective for currency of receivables. The effect of this is easily illustrated by the fact you would need fewer men if you were willing to let the majority of your customers pay when they desired, and not be concerned about the added operating capital that would thereby be tied up in delinquent receivables."

Mr. Walker, after presenting other

illustrations of the direct relation to policies, declared:

"I believe the best answer is in the establishment of manpower measurements to guide those directly in charge of the men in question. These measurements need to be compiled by persons having full knowledge of not only the detailed requirements of the procedures and techniques affecting each job, and the acts necessary in those procedures and techniques, but they must also have a complete understanding of the policies and objectives which are established. After all, the policies and objectives are basic and the procedures, techniques and men are for the purpose of implementing the policies and accomplishing the objectives.

"Such manpower measurements should, of course, be related to volume of business. However, they can be over-simplified and prove ineffective if they are not also related to the specific workload which is, for example, naturally different in connection with the number of seriously delinquent accounts as contrasted to the workload connected with current accounts. Manpower measurements are particularly valuable where you have divisions or districts, with men at those points charged with the responsibility of producing results."

Long and Short Training Objectives

The education and training of credit personnel must be "squared away with both short range and long range objectives."

Once this is done, "one of the wisest costs of credit administration is represented by the money spent on educating your personnel. There are many methods to do this, among them on-the-job training under experienced men, the release of written materials, guidance through manuals and visual training aids, and training conferences. A valuable aid from outside the company are the Graduate Schools of Credit & Financial Management held each year at Dartmouth College and Stanford University. At Stanford last year there were men from ten oil companies. These schools are doing

an outstanding job. The item of \$300 added to your credit costs to send a man to Stanford or Dartmouth would be a wise expenditure."

There is no substitute for credit investigation, the executive declared. "We have learned that agencies established for the purpose of credit reporting do a less expensive and more effective job than could be done through our own organizations. Wise credit report purchasing is a sound way to spend some dollars of credit expense."

"The watching of this expense item involves seeing to it that the money is spent when and where it should be; also, that the information obtained is augmented by further information through personal contact if and when circumstances indicate. Timing of necessary file revision on large accounts can save money. It is also a cost control item to determine that the quality of these reports is consistent with the service which is being paid for and which should be expected."

Balanced Judgment Is a "Must"

Balanced judgment is required in approaching the question of collection agency costs, Mr. Walker noted. "To save collection agency costs, you can build up large numbers of badly delinquent accounts which will add men to the payroll in order to follow the accounts for collection. If you refer accounts too quickly to collection agencies you risk public ill will and increase collection agency fee costs. If the accounts are held too long, manpower costs will be higher, and they can be held past the point of any return through a collection agency's very best efforts. Here again clearly appears the need for good credit management."

Working with representatives who contact the customer is a money-saver in the end, the Petroleum Group was told. "Explaining the need of a few minutes to have an understanding regarding payment when the account is opened will save manpower time that would otherwise be devoted to the follow-up of delinquent accounts."

"It is an expensive way to do business to devote substantial hours of manpower on following delinquent accounts when the right approach in opening accounts would result in a high percentage of mailed-in payments at the time the accounts become due. This constant callback requirement as contrasted to a payment understand-

ing is like the man in a boat with a leak in it who frantically bails out the water and gets no place. It never occurs to him that he might plug the leak. Also, field time by credit management is highly essential to determine whether established credit policies in practice are meeting marketing requirements."

Short-sighted is the over-emphasis so often placed upon the cost of credit losses, Mr. Walker believes. "I have seen cases where small losses, in good economic eras, have caused some companies to discard their sound credit practices because someone in authority decided the losses were too small. Conversely, large losses not properly analyzed

of the telephone, or that a customer will open the letter that is being dictated. By a realization of this, good customer relationships can be built through the handling of credits." If attention is not given to customer relationship, Mr. Walker warned, the cost will show up in a salesman's time in trying to get another customer to replace the one lost.

A cost factor is involved in the use of operating capital to carry receivables—"a substantial amount in most oil companies." If delinquency requires an abnormal sum of money, there is an unnecessary cost factor, Mr. Walker pointed out. "Whether economic conditions are favorable or unfavorable, there will always be many customers who will gladly use



HOW THE RELEASE of raw materials from Government control can release also the production potentials of a company is illustrated in the case of the Wood-Mor Products Company, Inc., Rochester, N.Y. When the plight of the manufacturer of porch and lawn furniture products, then unable to obtain aluminum after the Korean War broke out, was made known through the Rochester Times Union, other Rochester industries offered subcontract work which the company handled through its screw machine division—and saved 100 employees' jobs for them. When aluminum was made available for civilian use, the concern purchased an additional plant and has doubled production. Here Charles R. Sligh, Jr., president of the National Association of Manufacturers, congratulates the three brother-owners. (l to r) Samuel Curro, Mr. Sligh, F. Frank and Don Curro.

as to cause have created a panic in the other direction and resulted in a tightness in the handling of credits, to the detriment of sales and customer relations. Truly, credit losses represent one of credit management's weakest elements of measurement. It is one which requires much careful analysis before charting a course of action based on the loss figure whether it be large or small."

Good Customer Relationships

The credit department should have sufficient latitude in manpower—and the cost to the company would be small—to "permit time for employees to realize that they are not just handling an account, a ledger sheet, or a debit balance, but that there is a customer on the other end

your operating capital in the form of an unpaid account if you fail to have an understanding regarding when payment should be made or if you overlook asking for the money if it is not paid when due. This use of your money by someone else on a no-security, interest-free basis represents a cost factor which cannot be overlooked in an appraisal of what constitutes good credit management."

Cost Control Methods Vary

Methods of cost control vary with individual companies, from budget basis for the credit department to projection of its estimated costs in financial forecasts breaking down estimated expenditures in various classifications, and there are advan-

(Continued on page 38)

Credit Will Cushion Readjustment, But It Must Have Courageous and Sound Policy: Heimann

CREDIT will cushion the readjustment in transition from a defense to a civilian economy, or in a period of reduction of defense activities, Henry H. Heimann, executive vice president of the National Association of Credit Men, emphasized in his keynote address before the Second International Credit Congress in Montreal.

"Such a readjustment period is the time for courageous credit policies based upon solid credit facts," Mr. Heimann told the delegates to the convention, the 57th Annual Credit Congress of the N.A.C.M., with the Canadian Credit Men's Trust Association, Limited, and its Quebec province division as hosts.

"Your demands for credit worthiness may be more stringent, but your helpfulness creditwise to those who have demonstrated their ability to handle credit soundly will on the whole be more generous. In credit acceptance or extension your whole approach must be constructive. You must be more exacting with those who are not deserving of credit, but even before rejecting these unwarranted or unqualified requests, in the interest of constructive credit management you should lay down the basic needs on which credit acceptance can be had."

Noting that there never has been universal peace for any sustained period in the annals of civilization, and that the present generation has "lived almost constantly in an era of war," the speaker said that with the mutual understanding enjoyed by the United States and Canada any sustained period of peace "should take place on the North American continent." And, he added, "one of the basic factors of peace is a sound credit program throughout the world."

Opportunity for Credit Executives

Now that the United States has attained world leadership—"perhaps too quickly to be comfortable"—and Canada is "on the threshold of the greatest opportunity that has ever befallen any nation," the credit men of the two countries "have a great opportunity to develop sound credit policies for bringing about a

normal expansion of business and making credit available for Canada's coming extraordinary growth." Furthermore, "the two nations working together on a sound credit program can do much to bring about the credit basis or pattern on which sound world peace may be constructed."

Declaring that "credit is the true missionary of understanding at home and abroad," the executive under-



HENRY H. HEIMANN

Keynoting at Montreal Convention

lined the fact that "because of its potency, its great leverage on world affairs and its unparalleled contribution to a higher standard of living, nothing is more important than that nations on their own account adopt a sound credit program, and that in their dealings with their neighboring nations, or nations across the seas, sound credit practices govern their trade and commerce."

Points to Central and South America

Canada and the United States are interdependent, said the speaker. "Our interests are the same. Our lives follow much the same pattern. Our ideals are alike and our commerce has always been conducted in a friendly and cooperative manner." Therefore, "in a world beset with so many conflicting ideologies, the pattern of good neighborly relations in North America which has shown to the world a real mutual understanding and cooperation, insofar as it is possible to do so, should be woven throughout all of the Americas including South and Central America." No nation henceforth can "fence itself from the rest of the world"; hence the need for a sound

good neighbor policy with the Central and South Americas.

Credit is "the most potent energy in civilization," but it must be "sound credit and not charitable donations," he declared. "The mere granting of billions of dollars does not solve the problem of the oppressed peoples"; sometimes these billions "actually defer the day of self-help." While charitable donations do "serve a useful purpose in cases of temporary emergency," he explained, "to continue these gratuities after the emergency has passed is to make for a series of emergencies and to prevent a real solution."

Sound credit, on the other hand, "having in mind its qualities of productivity, and its careful utilization, will be a powerful factor for the stimulation of incentives and desires to enjoy some of the better things of life. Credit when wisely used in foreign development on a program of mutual profit rather than exploitation offers a sound way for a better world understanding and a better life in this world, and consequently a better background from which to develop world peace."

When credit is used for peaceful pursuits, the delegates were told, it is "the seed from which added credit grows and civilian wants can be more easily satisfied and a richer standard of life harvested."

Defense Need Drain on Credit Supply

Utilization of so much credit in defense and war, however, Mr. Heimann cautioned, "essential though it be to maintain our freedom and our way of life, is a drain upon the credit available for the more normal and peaceful purposes of world trade. Credit used in military operations, even though absolutely necessary, makes for a program of credit dissipation."

"The lower the cost of government throughout the world, the less the drain on the reservoir of credit. The government cannot create credit. Credit is created through commercial transactions, through production and distribution. A reasonable measure of credit is essential

for government purposes, but these governmental credit needs should be held to a minimum. In this way we conserve the surplus of credit and thus make it available for increased production and a better standard of life throughout the world."

Merely synthetic is the kind of prosperity that depends upon military or defense spending for full employment, Mr. Heimann pointed out. Hence, when defense expenditures can be safely reduced there should be rejoicing instead of an attitude of apprehension. Such curtailment "could have only a favorable effect on our economy and should add to the civilian supply of goods and services."

"A tax reduction of 10 per cent made possible by a lower cost of preparedness is worth more than the activities resulting from an expenditure of billions of dollars in military outlays," he declared. "Such a tax reduction recreates incentives, stimulates production of civilian goods, orderly peaceful trade expansion, and builds for a real prosperity. It immeasurably increases the standard of living and brings surplus to our credit reservoir."

Study Practices of Normal Fiscal Era

Because many credit executives in the middle age and younger life brackets have had no experience of credit management in a deflationary period, Mr. Heimann said the need of "fully half of the active credit managers is to study credit conditions and credit practices that were in being during normal, sound fiscal government eras."

"When you are working in an economy in which your government is resorting to deficit financing, and the circulation of the dollar is constantly increasing as a result of deficit financing, there is posed a different problem than if you are working in a sound economy when budgets are being balanced and the purchasing power of the dollar is firming. During this sounder fiscal period of time there are no easy government dollars the debtor can get hold of. The dollars he needs for the liquidation of his debt must come the hard way."

"Inexperienced as are both debtors and many credit executives in a sound fiscal era, the needed experience, unless it is to be had the hard way, can only be acquired through constant education and study, not only of past cycles but

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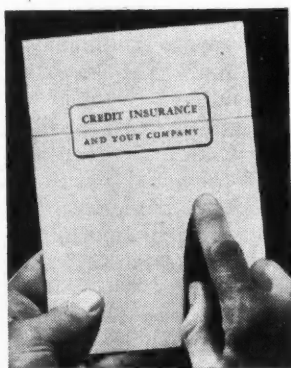
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Atomic Energy in Business Will Place Emphasis on Conditions, Says Hopkins

CHANGES to come with application of atomic energy to civilian business operations will spell out new emphasis on Conditions, the fourth "C" of Credit, says John Jay Hopkins, chairman and president of Consolidated Vultee Aircraft Corporation and General Dynamics Corporation, and chairman and managing director of Canadair Limited.

A new industrial revolution eventually will be averted by the new source of energy, which "will ease the burdens of man, give him greater security and more leisure, increase his comforts, widen his opportunities, and vastly change his environment—the 'Conditions' under which he lives and works," declared the executive to the 2,300 delegates attending the 57th Annual Congress of the National Association of Credit Men and Second International Convention with the Canadian Credit Men's Trust Association, Ltd., at Montreal.

"Reactors, separation processes, U-235 facilities, fuel recovery facilities, and the atomic fuels themselves are essentially the same whether we produce bombs or power," according to the head of General Dynamics' Electric Boat Divisions, designing the first atomic-powered vessels (the submarines "Nautilus" and "Sea Wolf") for the United States Navy, and of Convair, to build the first atomic airplane for the United States Air Force.

Crediting the governmental agencies in both the United States and Canada with "outstanding work in bringing atomic energy to its present condition of development," he explained that "to a startling degree the facilities and techniques developed for the production of the bomb are the same techniques and facilities needed for peacetime applications."

Noting that Government monopoly, "under the urgent pressure of defense needs," has been so successful in development of atomic energy application because to a large extent "it has wisely enlisted the services of private industry to carry out its objectives," Mr. Hopkins cautioned that "the program must remain inhibited so long as objec-



JOHN JAY HOPKINS

tives and goals are planned by the government, controlled by governmental budgets and geared to essential government needs."

"The laboratories and factories of our nations must be thrown open to unrestricted experiment," he urged. "Genius must be free to tamper with the immediately unwanted or rejected idea. Industry must be free to spend its capital, its labor and its time on projects for which a government has no need. Only by this formula—the tried and proved product formula—can promise be turned swiftly into practice."

Pointing out that the Chalk River project of Canada, one of the largest producers of uranium, "has made unique contributions to the development of the atom," Mr. Hopkins pleaded for amendment of the U. S. atomic energy act to permit broader and closer cooperation between the two nations, and predicted that Congress "will soon allow American industry a greater participation in the development of atomic power."

Highly Skilled Nucleus Available

We are ready for such a move, he added. "We have now a highly skilled nucleus of professional people, technicians and craftsmen well trained in the atomic field. When permitted, we intend to employ ourselves vigorously in advancing the use of atomic power in industrial as well as military applications." Questions of security and safety, he said, should be solvable without Government ownership.

"I feel very strongly, as appar-

ently does the Atomic Energy Commission, that the time has come when private enterprise—subject of course to security, safety and availability of raw materials—may be permitted to bring to bear the same engineering management and marketing and financial genius which has developed for the common welfare the world's other power resources! Free competition in free markets will bring much closer the day when the blessings of this vast new source of power will be made widely available for peaceful purposes. The business of government is not business, although it does have every right to exercise a proper regulation in the public interest.

Credit's Achievements in Two Nations

"I need not underline the specific achievements of the credit executive in the economic progress of our two countries. As Daniel Webster said in the Senate at Washington over a century ago, 'Credit has done more, a thousand times more, to enrich nations than all the mines of the world.' Preservation of those gains depends upon preserving our free way of life, and nowhere in the world is the political and economic environment more conducive to such progress than in Canada and the United States."

Developing his thoughts regarding the fourth "C" of Credit, Mr. Hopkins explained that "all our business judgments are made with respect to the total business environment of the moment," and "the chief characteristic of business 'Conditions' in a free competitive society is change—change in the relative status of individual business firms within each industry, change in the status of different industries relative to each other, and change in the importance attached to business interests and objectives in the constantly changing political-social scene."

Opportunity and Obligation of Credit

Mr. Hopkins sees both "opportunity and obligation to exercise vision and courage" in dealing with the effects of changing conditions on credit policies and practices. "Undoubtedly, change adds to the complexity of your problems, but the

JOHN JAY HOPKINS, chairman and president of Consolidated Vultee Corporation and General Dynamics Corporation, and president and managing director of Canadair, Ltd., was a corporation lawyer, business administrator and financier when in 1937 he became a director of Electric Boat Company, predecessor of General Dynamics Corporation, the name adopted last year. He initiated the acquisition of Canadair in 1946, and the following year was named president of Electric Boat.

Son of a Presbyterian minister, at Occidental College in California he participated in athletics and was on debating teams. Graduate of the University of California at Berkeley, and Harvard Law School, he entered law offices in New York, became special assistant to the secretary of the U. S. Treasury in Washington, was active in oil production and agriculture in California before becoming a principal executive of Electric Boat Company.

This year he was named to the chief offices in Consolidated Vultee.

record of a free competitive economy should show clearly that the material gains to business, industry and the general public which result from the challenge of changing 'Conditions'—and the response to that challenge by men of courage and vision and principle—outweigh by far any transient problems and any temporary losses.

"The free, inquiring mind of man has discovered and perfected an infinite number of ways of easing his burdens. Those advances which have served most to shorten working days, to shift the load off men's backs, to provide better pay for effort and skill, have not been primarily political, or sociological or economic advances. They have been primarily technological advances . . . the discovery and uses of new forms of dynamics—of power.

"In every instance the beneficial effects of these discoveries in dynamics have, when perfected, surpassed the anticipations at the moment of their discovery. This is true whether the measure be the extent of their use, their magnitude in operation, or the speed with which they have been developed—or the profound social changes which have followed in their wakes." Mr. Hopkins mentioned as examples electric power, the internal

combustion engine, the airplane—and now the controlled and harnessed use of nuclear fission.

Bulwark Against Communism

Mr. Hopkins, as president of the National Security Industrial Association in the United States and a contributor to the formation of the Canadian Industrial Preparedness Association, declared that chance alone did not decide that the United States and Canada "furnish the free world's strongest bulwark against communistic aggression—whether political, or military, or economic." He added that in continued cooperation lies "the brightest promise of ultimate victory over the world's current ills."

The speaker questioned the sincerity of Communist Russia and Red China in the current peace approach. "Their soft words are the natural consequences of our hard acts, firm attitudes and actions," yet the present negotiations may disguise the blessing of "an easing of the speed with which we have been attempting to reach a safe level in our armaments. The boom and bust approach to armament programs can be

disastrous. Our common sense tells us that certainly, when it is possible, a gradual but continuing armament program must be set for the nation and industry, and the individual taxpayer.

"Under these present world conditions, nothing could be more helpful than for the people of Canada and the United States to be alert to every opportunity to live and work together." Thus the two nations "can create together the enduring character and capacity to throw off the threat of tyranny, to preserve the free way of life whose blessings we now in common so richly enjoy, and to meet triumphantly the challenge and reward of our dynamic future."

Fire Losses Worst Ever

Fire losses struck an all-time high for the second consecutive year, just short of \$785 millions, which was 7.3 per cent more than for 1951 and 14 per cent above 1950. Lewis A. Vincent, general manager of the National Board of Fire Underwriters, noted that fire damage had increased 3.3 times since the \$235 millions of 1935.

Today's liability problems need expert attention

The chances of your company becoming involved in a damaging liability suit are increasing year after year with the increasing complexities of modern business. Our experience in servicing casualty insurance for a large variety of businesses of all sizes and in all kinds of situations can help you to appraise your needs and safeguard your interests. Your inquiry is invited.

MARSH & McLENNAN

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Chicago, 231 S. LaSalle St. New York, 70 Pine St. San Francisco, Russ Bldg.
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Guides to Improved Executive Operation

KEEPING INFORMED

SAFE DEPOSIT SYSTEMS. Information for bank officers on all phases of safe deposit systems, and equipment, is contained in this booklet. Standard and special section of boxes, features of design, locks, accessories and other information on safe deposit installations are given special consideration. Write Diebold, Inc., Canton, Ohio. Free.

SMALL BUSINESS: ITS ROLE AND ITS PROBLEMS—The function of small business in our economy and its relation to big business, as well as problems that confront the small businessman, are discussed in this 33-page booklet. Price 50c. Chamber of Commerce of U.S., 1615 H. St. N.W., Washington 6, D.C.

TRENDS IN GROUP COVERAGES, by Wendell Milliman, one of a series of lectures before the School of Business Administration, University of Connecticut. It gives the latest developments in group insurance. Free. Write New York Life Insurance Co., 51 Madison Avenue, New York 10, N.Y.

RETIREMENT TO A PART TIME OCCUPATION. What's the best solution of the retirement problems of inadequate income, unfilled time and lack of purpose and interest in living? This booklet strongly urges that "everyone approaching middle age should look around for a part time occupation." 12 pp. Write to Connecticut General Life Insurance Co., Hartford 15, Conn. Free.

LEADERS OF EXCELLENT MANagements—A study in which 2,000 company presidents and directors sit for a collective statistical portrait. Summarized in concise tabulations are backgrounds, salaries, business and social activities of top officers. The survey was undertaken "in the conviction that no single group of men will influence the course of American management more than these directors, presidents and executive officers." Full report may be obtained from American Institute of Management, 125 E. 38th St., New York, N.Y.

Informative reports, pamphlets, circulars, etc., which may be of interest to you. Please write directly to the publisher for them. CREDIT AND FINANCIAL MANAGEMENT does not have copies available.

To expedite receiving these booklets, please address all inquiries concerning Efficiency Tips to CREDIT AND FINANCIAL MANAGEMENT, 33 So. Clark St., Room 1538, Chicago 3, Ill.

EFFICIENCY TIPS

300—Telautograph Corporation offers a "Communications Guide" to aid in analyzing your communications problems. Here are the answers explaining "What is a Telescriber" and some of its accepted uses.

301—Domore Chair Company has a new booklet, "Fatigue Backache," and will be glad to send it on request.

302—Art Metal Construction Company offers ART METAL SPEED-FILE, a booklet fact-packed with information on how to create large savings in floor space, and provide maximum filing capacity in minimum space.

303—Miami Systems Corporation has just published THE STORY OF THE GIRL WITH THIRTEEN HANDS, a light, interesting folder telling the story of a willing but overworked white-collar girl and the solution to her problem through the use of Miami Systems business forms. The folder includes a description of printed register forms and automatic register devices available.

304—FINE PAPER AT ITS BEST AND How It Gets That Way. A descriptive booklet on paper and its manufacture, with special attention to the Rising cockle finish bond letterhead, a product of the Rising Paper Company.

305—Ralph C. Coxhead Corporation shows how to cut printing costs on booklets, sales forms, catalogs, promotional and direct mail material, with results comparable to printer's type composition, through the use of the VARI-TYPER. Booklet on request.

306—Charles R. Hadley Company explains its modern SPEED WRITING SYSTEM for accounts receivable, payroll, accounts payable, and other applications in the booklet "Management Control," available on request.

BOOK REVIEWS

MATHEMATICS OF FINANCE. By Lloyd L. Smail. \$4.50. McGraw-Hill Book Company, Inc., 330 West 42nd St., New York 36, N. Y.

† Presented with balance of theory and practice, this is an excellent text for college classes in business administration or commerce. Major mathematical finance topics are covered, and important algebraic topics, necessary to complete understanding of the text, are treated fully in an Appendix. Included in the text are innumerable exercises which go to make up a carefully graded selection. The book is a straightforward presentation of material which will be of advantage to student and teacher, and would offer an excellent brush-up course for any accountant.

PUT IT PLAINLY—By R. G. Ralph. \$2.50. Thomas Y. Crowell Co., 432 Fourth Ave., New York 16.

† Are your letters, memos, questionnaires and notices always clear and concise? This purposely short book explains the difference between the way most of us speak and write, and what we can do about it. Examples, quotations, tests and checking questions are included to show how to combat mental laziness and help us express facts in writing. An excellent textbook as well as reference work.

PRACTICAL BUSINESS WRITING—By L. E. Fraley and E. L. Schnell. \$6.70. Prentice-Hall, Inc. 70 Fifth Ave., New York 11.

† The authors, believing letters should be "talk on paper," advocate: Learn to use imagination, talk across space and put yourself in the other fellow's shoes. Their purpose is to assist the potential or actual business writer to build on a solid, tested foundation, analyze used-in-business letters, examine results and learn why some succeed and others fail. Many forms of communication are included—letters, reports of government administrators, small business owners, personnel and sales managers. Sixteen chapters, and nearly 700 pages, this offers a working tool for producing letters that will "do the job and do it well."

Books reviewed or mentioned in these columns are not available from CREDIT AND FINANCIAL MANAGEMENT unless so indicated. Please order from your book store or direct from the publisher.

SAN FRANCISCO

1954 INVITES YOU 1954



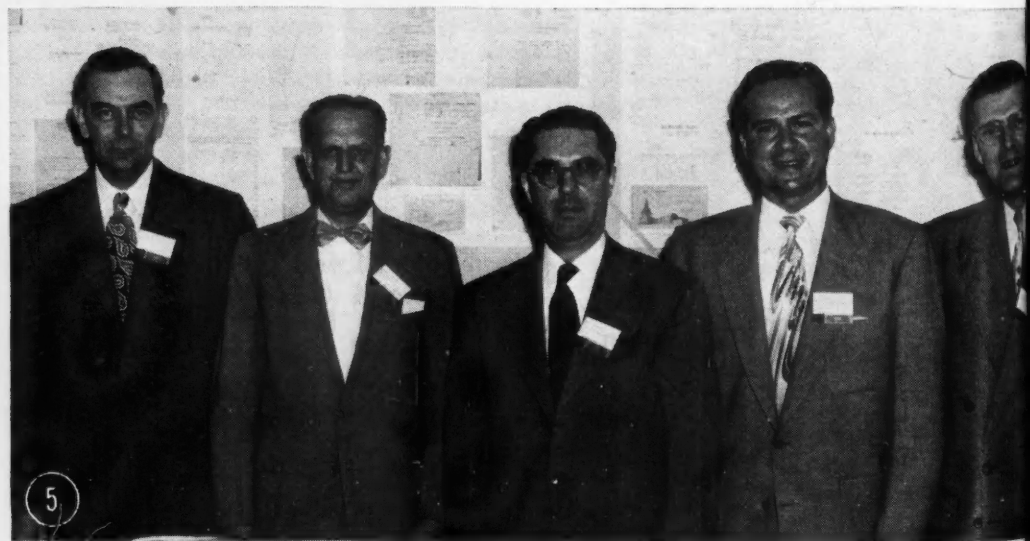
(1) Officers and Directors of Canadian Credit Men's Trust Assn., Ltd. L. T. Allen, J. & A. McMillan Ltd., Saint John, N.B., immediate past pres.; J. Cowley, Canadian Electronics Ltd., Edmonton, Alta., new pres.; S. J. Royce, John A. Huston Co. Ltd., Toronto, new vice pres.; H. K. Hall, Gault Brothers Ltd., Vancouver, B. C., past president; and board members T. O. A. West, Metals Limited, Calgary, Alta.; James Game, General Films Ltd., Regina, Sask.; G. J. McLean, Northern Electric Co. Ltd., Winnipeg, Man.; and Joseph Langley, Drummond, McCall & Co., Ltd., general convention chairman. Absent: J. W. McGilvray, Western Grocers Ltd., Saskatoon, Sask. . . . (2) John G. Diefenbaker, Q.C., M.P., House of Commons, Ottawa . . . (3) Colonel Redmond Roche gives welcome for Quebec Province . . . (4) Presentation of awards in Credit and Financial Management competition on office streamlining. H. M. Kessler, The Standard Printing Co., Louisville; J. N. Jones, Decatur & Hopkins Co., Boston; H. H. Rasmussen, The Emerson Drug Co. of Baltimore City; Miss Margaret Hail, The Chaffanooga Medicine Co.; C. A. Parker, General Mills, Inc., Portland, Ore., for W. B. Collins, McCord's Daily Notification Sheet; and G. M. Clements, J. M. Tull Metal & Supply Co., Atlanta, for W. K. White, Fulton Bag & Cotton Mills . . . (5) President-elect D. M. Messer and President V. C. Eggerding with their gracious first ladies.

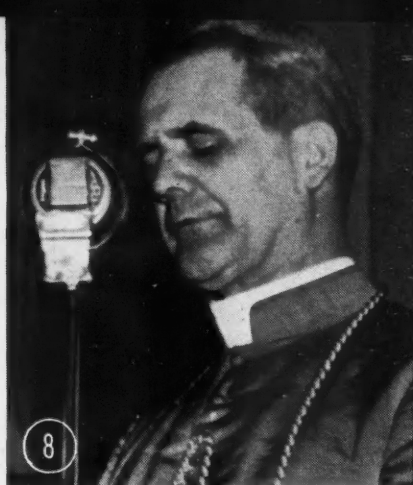
CFM pictures by ABC Studios, Windsor Hotel, Montreal, Que.



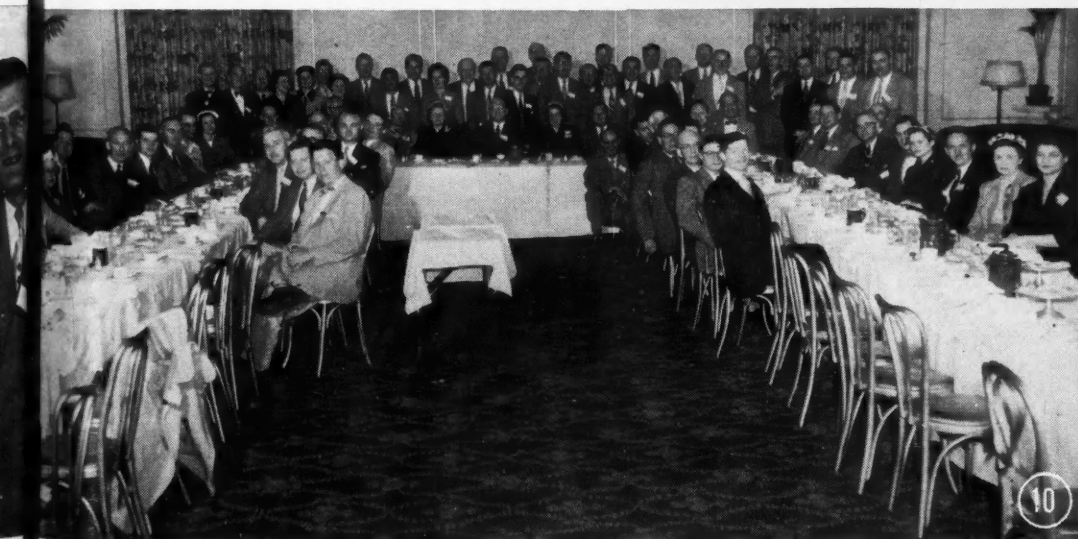


(1) The Venerable The Archdeacon A. P. Gower-Rees, M.A., D.D., M.C., Rector, St. George's Church, Montreal . . . (2) At the Mayor's desk. Messrs. Cowley, Messer, Eggerding, His Worship Camille Houde, O.B.E., Mayor of Montreal, Allen, Heimann, E. T. C. Messer, general manager, C.C.M.T.A., Toronto . . . (3) President Eggerding passes the gavel to his successor, D. M. Messer . . . (4) J. L. Russell, "Squire of Hillsdale," General Motors, Toronto . . . (5) Advertising Media speakers: L. F. Sullivan, Register & Tribune, Des Moines; G. S. Pasquier, Times, Shreveport; M. W. Coffman, News-Journal, Dayton; G. W. Sites, Times-Mirror, Los Angeles; W. H. Cooke, Montreal Star, Montreal . . . (6) Building Material and Construction: H. J. Fichtner, Detroit Steel Products Co.; W. S. Johnson, Q.C., attorney, Montreal; J. S. Walker, Cresswell Pomeroy, Montreal; R. S. Thompson, Houston-Starr Co., Pittsburgh; W. C. Henson, Barrett Co.; J. C. Knox, Alexander Murray & Co.; W. G. H. Alexander Murray & Co., all of Montreal. (Additional picture groups' meetings appear in the August issue.)





A. D. (7) Palefaces Allen and Eggerding become chiefs of the Iroquois. Chief Poke-in-Fire places eaglefeather peace bonnets . . . (8) His Eminence Paul Emile Cardinal Leger . . . (9) N.A.C.M. C. President Eggerding receives gavel from C.C.M.T.A. President Eggerding . . . (10) Luncheon of Graduate School of Credit and Financial Management. Seated center at head table is Dr. Carl D. Smith, executive director . . . (11) Reporting as chairman of the Nominations Committee: Past president Lorne D. Duncan, general credit manager, National Distillers Products Corp., New York City . . . (12) Wearing Apparel and Footwear: A. L. Wehrheim, Michaels and Co., Rochester; J. R. Pierson, Thos. Field & Co., Charles- ton; W. A. Ware, Normandin Brothers, Los Angeles; M. L. Depen- roy, Brock, Interwoven Stocking Co., Martinsburg, W. Va.; Mrs. Rose Higdall, New Era Shirt Co., St. Louis; Arnold Bourbeau, Gotham Hosiery Co. of Canada, St. Hyacinthe, Que.; F. A. Mann, John Forsyth, Kitchener, Ont.; Willard Thomas, Campus Sweater & Sports- wear Co., Cleveland; Frank Spencer, Hickok Co., Rochester





(1) At the luncheon and business session of the Royal Order of Zebras. L. C. Scott, of E. L. Bruce Co., Memphis, retiring Grand Exalted Superzeb, presents gavel to Larry R. Folda, W. J. Bailey Co., San Diego . . . (2) Automotive Group: C. C. Dunn, McCol Frontenac Co.; F. H. Bydwell, Dominion Rubber Co., Montreal; S. G. Phillips, Dole Valve Co., Chicago; G. E. Lawrence, Dallas association secretary-manager . . . (3) Plumbing, Heating, Refrigeration and Air Conditioning: F. G. Zimmerman, General Electric Co., Bloomfield, N.J.; G. C. Melkie, Crane Limited, Montreal; W. E. Sloan, Somerville Iron Works, New Castle, Pa.; E. C. Vorlander, Minneapolis Honeywell Regulator Co. . . . (4) F. Cyril James, Ph.D., principal and vice chancellor, McGill University, Montreal . . . (5) At the Sunday afternoon tea with the Messrs. and Eggerdings, Mrs. Joseph Langley pouring . . . (6) Auld Lang Syne, and on to San Francisco in '54! (l. to r.) Messrs. Heimann, Duncan, Messer, Mrs. Messer, A. J. Sutherland, Mrs. Eggerding, W. L. Holmes, Messrs. Eggerding, Stumborg, Stockfleth, Zander, Trimble.

More pictures in August issue



TRENDS — —

IN BUSINESS AND FINANCE

A Newcomer Speaks Out

SWINGING WIDE the back porch windows the other morning we had a nod from one brave peony bud that had greeted the dawn in full bloom and appeared to be gesturing with widespread petals in encouragement to his associates, "C'mon out, the air's fine."

True, the iris edging the garage already were in full color, the row of bridal wreath at lot-side had given their all, as had the lilacs, the lilies of the valley. The spiraea long since had had their fling, as a matter of perennial course. The hydrangea didn't even rebuke us for the over-run from neglected repair of a waterspout; the weigela was taking its own sweet time coming into the pink of condition, and the yucca, stubborn as usual, was telling us to mind our own business.

But that peony blossom had us wondering in other directions. Issues and argumentations on the twisted economy; the excess profits tax, whether a natural death, or delayed execution, or a fixture; a budget balanced or sorta-balanced, or not-at-all balanced; national debt in perpetuity; throwaway tariffs; this buyer's market; the dip in industrial production and leveling off at the lower rate; inventories; timid businessmen preaching free enterprise while tugging at Washington's coattails for protection; higher interest rates; standby controls; income levels taxing youth out of the business incentive; an honorable peace in Korea—and on and on.

That peony again—and then a digest of a cheerio address by Roger M. Blough, vice chairman, United States Steel Corporation, telling graduates of Susquehanna University that "in no hour in the world's history could you have picked a better time to start wrestling with more really fine opportunities or more really dangerous problems crying to be solved."

Whereupon the speaker proceeds to list 15 reasons why the "gloom vendors" are as wet as that hydrangea bush, but with less reason.

"As the self-appointed guardians of a nostalgic past which is dead as a doornail, we cry out in anguish about the wars and all manner of other worries, but I think we cry in vain," he says. "The world is inching forward, drawn by its own in-

ward strength, physically, morally and spiritually."

Thanks, Bud! And thanks also to you, Mr. Blough. Now back to work.

High Interest Rates—and Why

SPEAKING OF INTEREST RATES, that's precisely what many are doing, and from various bank sources comes an apologia (not to be confused with confession).

Thus we note that Dr. E. Sherman Adams of the American Bankers Association, warning that "monetary management is on trial," urges bankers, as an obligation to the public and as a duty to themselves, to "be sure they understand current monetary developments and that they do what they can to contribute to public understanding."

Noting that "monetary policy is one of our most useful weapons for combating inflation," Dr. Adams traces six basic propositions of the general credit policy of the Federal Reserve System:

(1) Public welfare requires that the Federal Reserve let credit tighten and interest rates rise when inflation threatens;

(2) The Federal has followed that policy the last two years;

Trial by Ambush

Wider use of out-of-court settlement of Federal Trade Commission cases, in such forms as affidavits of discontinuance, remedy by stipulation without formal proceedings, cease-and-desist order, prohibition-by-consent orders, and correction by administrative treatment are among the points in a program launched by Commissioner Lowell B. Mason.

In a forum discussion with Andrew J. Graham of the law firm of Rogers, Hoge and Hills of New York City, Mr. Mason brought out indication that there shortly will be an end to "trial by ambush," under which the commission's attitude appears to be deliberate withholding of details against respondents pending completion of commission preparations to go to trial.

The forum was conducted by the Purchasing Agents Association of St. Louis in cooperation with Washington University.

(3) Federal has tried to keep credit from expanding too fast without halting it completely;

(4) Viewed in historical perspective, interest rates are still relatively low for this stage of the business cycle;

(5) The present level of interest rates does not result in excessive earnings for banks and other creditors.

The Guaranty Trust Company of New York says the higher rates provide one manifestation of a return to free markets, and "the outcry against tight money reveals a surprising number of basic misconceptions, even in quarters where more understanding might be expected and is needed." Guaranty cites the effects of cheapened currency on bond buyers, pensioners and others dependent upon fixed incomes, whereas so-called tight money could "check the exuberance of a boom" and ease the impact of any recessions. In fact, "to allow over-expansion to run on unchecked by maintaining artificially easy money would be a curious way of preventing or moderating a recession."

Adjustments in Advance

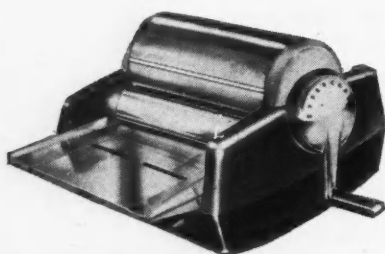
THE RISE in the cost of money is "just another reason for tighter operations," in the opinion of President Theodore H. Silbert of Standard Factors Corporation, commenting on reports that many companies found first quarter net earnings from 5 to 50 per cent below 1952 levels despite higher sales.

"Prudent managements must prepare adjustments in advance," he says, pointing out various moves of retail managements to reduce costs. Especially affected by the squeeze between growing operational costs and consumer resistance to higher prices, he adds, are "automotive parts manufacturers, makers of processed foods machinery, some department stores, some textile mills and men's clothing manufacturers, many producers of farm equipment, paper, building materials, heating equipment, drugs, camera supplies, office equipment, some drug houses, show chains, variety store chains, and some brewers."

Ernest A. Ruchstad

Modernizing for Office Efficiency

introducing new office equipment and systems to effect economies in labor and costs, as well as to speed production of essential office work

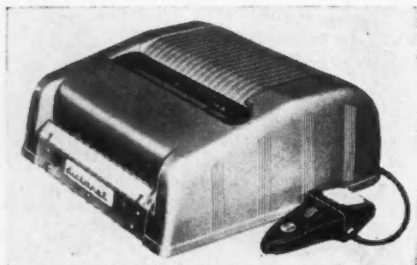


150 Copies a Minute in 5 Colors

According to the manufacturer, Duplicopy Company, 224 W. Illinois St., Chicago, the new "Duplicopy" liquid-process duplicator is capable of producing 150 copies a minute in as many as five colors. The machine has a patented wiper blade which automatically assures even distribution of fluid over the roller, eliminating flooding, offsetting and loss of time and paper, with sharp, dry copies from the start. No stencils are required. Masters may be prepared as easily as typing, from postcard size up to 8½" by 14", and saved for reuse. A minimum of 300 copies may be printed from one master, with hairline register on color. Two models are available, automatic or manual feed. Equipment is streamlined in design and finished in sapphire gray and satin aluminum. The manufacturer will send illustrated literature.

Paper That "TALKS" in Dictating

The Pentron Dictorel dictating-transcribing machine recently placed on the market by Pentron Industries, Inc., 664 N. Michigan Ave., Chicago 11, uses magnetic coated paper, "Talkaform," which can be utilized repeatedly for 2,000 times without loss of fidelity. The manufacturer explains that the machine electronically "erases" the paper while re-recording so that not even a whisper of previous recording remains. It can be written upon,



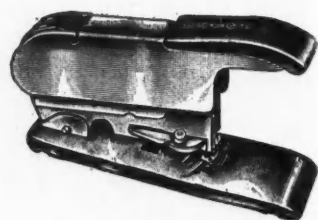
folded, filed, or mailed in letter-size envelope. Dictation and transcription are done on one machine, which has its own built-in loud speaker for playback. The "Talkaform" feeds into the Dictorel like a typewriter, and is no larger than a sheet of legal stationery. The Dictorel is the size of a portable typewriter, weighs 22 pounds, and is available in silver grey hammerloid finish. Delivered with 10 Talkaforms, 1 set index tabs, plastic cover, and hand microphone or foot control.



Way to Speed Paper Handling

A new preparation to speed handling, sorting of papers, cards and currency, called "Sortkwik," has been introduced by Lee Products Co., 2736 Lyndale Ave. S., Minneapolis, Minn. A non-stick, non-stain and non-greasy preparation is applied to thumb and forefinger by merely running fingers across the surface in the handy, flat unbreakable plastic container. The preparation is said to do the work of sponges and rubber fingers, and speed up action in accounts receivable, sales audit, mail order, direct mail or any other operation requiring a great deal of paper handling. A package retails at low cost. The manufacturer will send any further information on request.

When writing to the makers of these products please mention that you read about them in
CREDIT AND FINANCIAL MANAGEMENT.

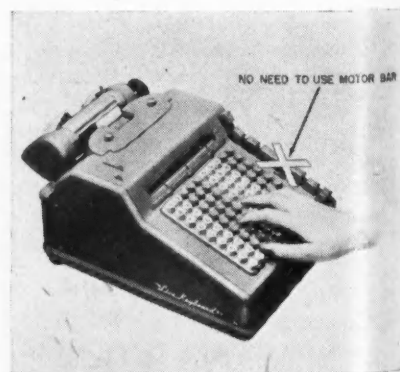


Device Makes Its Own Staples

The new Bates Stapler, manufactured by the Bates Mfg. Co., 30 Vesey St., New York 7, N.Y., provides its own staples without reloading. Slip in a spool of brass wire and press the handle for a neat, rustproof staple. Press 5,000 times for 5,000 staples from one spool. The instrument will make either permanent or temporary staples at the flick of a switch. The stapler will handle up to 16 sheets of 16 pound paper and has a 3½" throat depth.

Adds with Less Hand Motion

Figures add and print automatically as they are entered on the keyboard of the "Live" Keyboard Adding Machine, just announced by the National Cash Register Company, Dayton 9, Ohio. They have eliminated the necessity of depressing the motor bar; therefore the hand does not have to shuttle back and forth from keyboard to a motor bar but remains in position on the keyboard, thus speeding up the operation. For example, to add \$100, touch the "1" key in the hundreds column, and the figure adds and prints. For a larger amount such as \$1,235.00, enter 1-2-3 in normal manner, depress the last figure (in this case 5) all the way, and at once the full amount is added and printed.



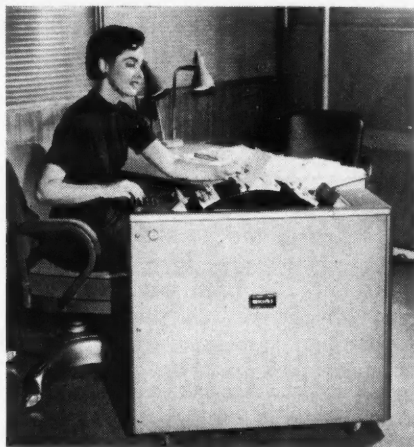
Push-Button Rotary Card File

Just introduced by the Mosler Safe Company, Hamilton, Ohio, is a new electric rotary card file called the Revo-File. It is an automatic, robot-like device said by the manufacturers to save time, money and space by speeding up the handling of active records, and by enabling a clerk to find any one of thousands of cards in a second. The file is divided into 16 sections, each controlled by one of 16 clearly identified push-buttons mounted on a panel board. The clerk touches the proper button, the file instantly revolves and automatically stops as soon as the desired section reaches the most effective position in front of the operator. It will revolve clock-wise or counter-clock-wise, depending on which direction will save the most time. The model is streamlined and compact, and is easily rolled from desk to desk or department to department. The manufacturer will be glad to send more details.



Foot Treadle for Line Spacing

Realizing a need for reading equipment to accommodate various bookkeeping and accounting procedures, a new "Pedestal-BK52 Pres-to-Line" combination is offered by the Pres-to-Line Corporation of America, 2339 Cotner Ave., Los Angeles 64, Calif. This is especially useful where the operator's work necessitates the use of both hands, since the Pedestal is equipped with a foot treadle connected to the BK52 Pres-to-Line by a standard length 68" cable, unless other length is specified. This treadle provides the impetus for line spacing of reading material held by the Pres-to-Line in a forward reading position, back of the billing machine, accounting machine, typewriter, etc. The pedestal is adjustable from 30" to 60" in height—forward to 22"—and has a neutral gray wrinkle finish. An additional accessory—a utility tray for the Pedestal—is available.

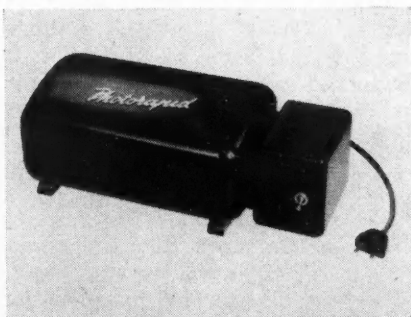


Portable Tape Dispenser

A gummed tape dispenser, making it possible to seal or re-seal cartons without bringing them to the shipping room, has been introduced by the Mid-States Gummed Paper Co., 2515 S. Damen Ave., Chicago 8, Ill. Called Roll-On-Sealer, the device features a non-spilling water tank designed to permit it to operate in any position. According to the manufacturer, the device rolls freshly moistened tape directly onto the carton, and a twist of the wrist cuts the tape to the right length after application. The device weighs 2½ pounds, and dispenses any width tape up to three inches.

Photo Copies in 90 Seconds

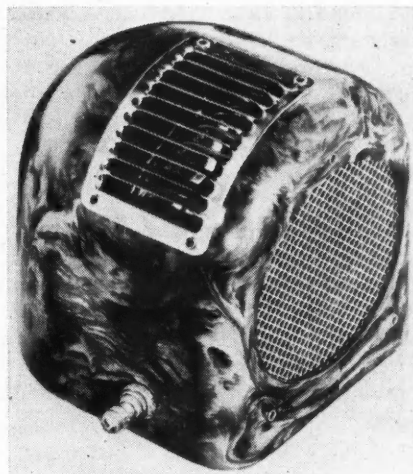
A new development in the making of photocopies has been announced by Copy-Craft, Inc., 105 Chambers St., New York. Called the "Photorapid," it uses no camera, dark room or trays and is said to produce in less than 90 seconds from white or colored originals, a permanent copy in photo-exact detail on regular



weight paper, single or double sides, transparent masters for diazo or blueprints, tissues for air mail use. Copies can be made from originals up to 12" x 17" on white or colored stock or containing pencil or crayon marks. Plastic is used in the construction, instead of metal, to help eliminate corrosion and frequent cleaning. The device closes tightly when not in use, and solution "keeps" 30 days or for 200 copies.

Here's Personal Air Circulator

The new Gent-L-Aire announced by Budlew Products Co., Dept. 110, 20 E. Jackson Blvd., Chicago, Ill., is said by the manufacturer to be the first *personal* air circulator on the market. It is a desk type model that may be directed at one individual yet not disturb papers on a desk. Weighing only 2½ pounds, and no larger than a telephone, it is said to move as much air as larger conventional fans.



Redesigned Calculator Offered

To provide a method for fast, accurate invoicing, payroll, prorating, installment and other figurework, Marchant Calculators, Inc., Oakland 8, California, has redesigned its Figurematic Calculator. Automatic clearance and tabulation as the dividend is entered now makes division much simpler, according to the manufacturer. The operator merely sets the dividend, which can be checked quickly by keyboard dials. A touch of the new dividend key automatically clears both carriage dials, returns carriage to proper position, enters dividend and clears keyboard dials.



UP THE EXECUTIVE LADDER

C. P. ROONEY has been elected treasurer of Mine Safety Appliance Company, Pittsburgh. Associated with the company since 1927, Mr. Rooney is a graduate of Duquesne University with a B.S. degree in economics. He received his certified public accountant degree in Pennsylvania in 1932. He was elected assistant secretary of the company in 1940 and assistant treasurer in 1948. He is also a director of Callery Chemical Company, an MSA subsidiary, and of Mine Safety Appliances Company of Canada, Ltd.

MONT L. HAIBLE is now administrative assistant to the general manager of The Westminster Press, Philadelphia. He recently resigned as credit manager of Columbia Steel & Shafting Company, Pittsburgh. Previously he was with the National Supply Company at Fort Worth,



M. L. HAIBLE



C. P. ROONEY

Houston and Pittsburgh, and the Retail Credit Company at Cleveland and Pittsburgh. He is a graduate of Ohio Wesleyan College and attended the Graduate School of Credit and Financial Management of the N.A.C.M., at Dartmouth in 1951 and 1952. In Pittsburgh, Mr. Haible served the credit association as chairman of credit education.

Miller Supply Co., Chicago, announces the election of MILTON MILLER as president to succeed his late brother, Samuel Miller. Milton Miller will also continue as treasurer. JACK J. FRIEDMAN, secretary, was elected a vice president, and JEROME S. MILLER, son of the company's late president, was named assistant treasurer. JOSEPH GREENE became assistant secretary.

Changes announced by Carl A. Bimson, president of the Valley National Bank, Phoenix, Ariz., include EARL L. BIMSON, assistant auditor to acting controller, and J. WILSON

BARRETT to chief clerk, from assistant to J. E. PATRICK, vice president in charge of the personnel department. MARSHALL LONG, assistant controller, has been named to succeed Mr. Barrett in the personnel department as assistant cashier and assistant personnel and operations officer.

Mr. Bimson, a native of Evanston, Ill., attended the New Mexico Military Institute and the Massachusetts Institute of Technology. In 1941 he became associated with Douglas Aircraft Company in California and a year later joined the staff of the Goodyear Aircraft Corporation in Arizona. For one year he served in the U. S. Navy, and since has been with the Valley Bank.

Mr. Barrett began his banking career in 1939 with the Tucson office of the Valley Bank, spent some time at the Mesa office and in 1952 was transferred to the personnel department at the home office.

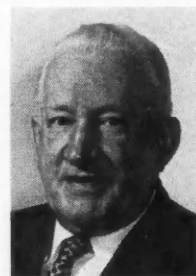
Mr. Long is from Gary, Ind., where for 12 years he was on the staff of the Gary National Bank. He joined the administrative staff of the Valley Bank in October 1944 and was made assistant controller in December 1945.

RAYMOND P. GOTTSCHALK has been appointed credit and office manager for Iron Fireman Manufacturing Company, Cleveland. He was previously credit manager for American Vitriified Products. He studied business administration and credit management at Cleveland College and Fenn College. In World War II he served with the Army Air Force as flight engineer for a transport plane.

ALLEN A. WARD, treasurer, General Box Company, Des Plaines, Ill., has been elected a director of the company. Mr. Ward joined General Box in 1946, after several years in accounting.

WILLIAM O. BERBRICK has retired from credit managership of the Walter Baker Chocolate and Cocoa Division of General Foods Corporation of New York City. He is succeeded by R. A. CORSON, formerly credit manager of General Foods, Ltd., Toronto, according to announcement by W. R. Dunn, general credit manager of General Foods Corporation.

G. W. PITCHER has been elected secretary of the Knapp-Monarch Company, St. Louis. He has been supervisor of credits, collections and office since 1936, during which time he has been a leader in the Electrical Manufacturers Credit Group of the Credit Men's Association, and an active member of the Zebras. His work in credit circles is evidenced by his past service as a member of the board of directors of the adjustment bureau, and as former director and a vice president of the St. Louis Association of Credit Men. Previous to joining Knapp-Monarch, Mr. Pitcher was in credit and collection management in Kansas City, Mo., serving as a director of the adjustment bureau of the Kansas City Wholesale Credit Association. This new appointment culminates 52 years in business which began in Kansas City in 1900.



G. W. PITCHER



G. T. PFIFER

GEORGE T. PFIFER has been appointed assistant treasurer and controller of National Can Corporation, and will have offices at the company's new headquarters in Chicago. Before joining National Can, Mr. Pfifer was assistant controller of Trailmobile, Inc., for three years. From 1941 until 1950 he was associated with D. G. Sisterson & Company, Pittsburgh, certified public accountants.

Mr. Pfifer attended Duquesne University, where he received a bachelor of science degree in business administration. In 1948 he became a certified public accountant in the State of Pennsylvania. He is a member of the American Institute of Accountants and the National Association of Cost Accountants.

HAROLD S. KUHN, formerly secretary-treasurer, The Haloid Company, Rochester, N.Y., has been named executive vice president and controller in charge of manufacturing and finance.

CREDIT MANAGEMENT

Highlighting News Activities—National, Regional, Local

New Lamps for Old, Montreal Focuses a Sharper Light upon the Credit Problems of Two Nations

NEW ideas and past experiences of credit and finance performance, erasing borders and preconceived notions of two nations and melded into working tools, already are in use for better service by and to the profession, following the Second International Convention at Montreal. There the Canadian Credit Men's Trust Association, Limited, and its Quebec Division were hosts to the National Association of Credit Men and the 57th Annual Credit Congress.

The enthusiastic procession that escorted the new N.A.C.M. president, D. M. Messer, to the platform, and, later, the gracious new First Lady, took the same lively tempo that had marked the procedure of the Congress throughout, in plenary sessions and in the 29 Industry Group meetings. A businesslike convention of businessmen.

The same measure of enthusiasm marked the applause for the outgoing president, Victor C. Eggerding, general credit manager, Gaylord Container Corporation, St. Louis, when he read his report (article on another page) and later when he informally thanked the credit men and women for their cooperation, as did Mrs. Eggerding. The plaudits of the delegates to the 1952-53 administration were in tribute to its sowing of "acres of diamonds" of good public and intra-association relations as well as practicable contributions to the associations' educational and professional services.

A solid silver service, gift of the association to the Eggerdings, was sent direct to their home to obviate customs complications; a certificate was formally presented instead.

President-elect Messer (a separate article appears elsewhere in this issue) brings to the office a record of many years of organizational activity. As vice president and general manager of the Dohrmann Commercial Company of San Francisco, and N.A.C.M. vice president representing the western division since the Boston convention in 1951, he has exerted marked influence on credit progress of the Bay Area. The Dohr-

mann company is one of the largest hotel supply concerns on the west coast.

Two new divisional vice presidents and the third, reelected, will be the general staff of President Messer for 1953-54. C. Herbert Bradshaw, general credit manager, Bausch & Lomb Optical Company, Rochester, N.Y., continues as the eastern division's representative. Central division vice president is Irwin Stumborg, assistant treasurer, the Baldwin Piano Company, Cincinnati. For the western division vice presidency the Congress elected George T. Stockfleth, assistant secretary-treasurer of the California Wire Cloth Corporation, Oakland. Biographical details of the three appear on page 5. The complete roster of officers and directors is published elsewhere.

San Francisco will be host to the 1954 Credit Congress, to be held May 16-20, with the Fairmont hotel as headquarters. The invitation was extended by B. F. Edwards, Jr., vice president, Bank of America National Trust & Savings Association. Mr. Edwards, who has served National and his local association in many posts, was one of three representatives of banks on a panel at the Wednesday plenary session.



Mr. Messer Accepts

The Congress stands invited to Chicago for the 1955 gathering.

The bank panel and one on insurance were among the highlights shared by the keynote address of Henry H. Heimann, executive vice president. Mr. Heimann's discussion of "Credit—The Miracle of Business" is reported in this issue; excerpts from the panels are scheduled for future numbers.

"Insurance—Your Aid in Credit and Financial Management" was the panel topic at the Monday afternoon session which brought together Ellis H. Carson, president, National Surety Corporation, New York; Earle N. Lashmet, vice president, Liberty Mutual Insurance Company, Chicago; and Nathan H. Wentworth, secretary, American Fore Insurance Companies, New York; with Kenneth C. Bell as moderator. Mr. Bell is vice president and cashier of The Chase National Bank, New York.

The discussion was sponsored by the N.A.C.M. insurance committee—chairman, Ralph E. Brown, vice president, Marsh & McLennan, Inc., St. Louis; and co-chairman E. A. Luther, vice president, National Surety Corporation, Chicago.

Partnership Is Bank Panel Topic

The bank panel had as its subject, "Hand in Glove: or, The Partnership of Mercantile and Bank Credit Departments," and the moderator was Lawrence T. Knier, executive manager, Robert Morris Associates, Philadelphia.

Representing industry were Paul E. Hunter, general credit manager, Pacific Mills, New York; R. Lynn Galloway, general credit manager, Eastman Kodak Company, Rochester, N.Y.; and Paul J. Viall, treasurer, Chattanooga Medicine Company, Chattanooga, Tenn., 1951-53 central division vice president.

For the bankers the speakers, besides Mr. Edwards, were Archie K. Davis, senior vice president, Wachovia Bank & Trust Company, Winston-Salem, N.C.; and Robert G. Norwood, assistant vice president, The Hanover Bank, New York.

The panel was sponsored by liaison committees of the N.A.C.M. and Robert

Morris Associates. Chairman of the former was Frank E. Byrne, treasurer, Cannon Mills, Inc., New York; for the Robert Morris Associates, William M. Edens, assistant controller, in charge of credit department, Continental Illinois National Bank & Trust Company, Chicago.

Allen Calls Convention to Order

After the calling to order of the International Convention Monday forenoon by L. T. Allen, president and general manager of J. & A. McMillan, Ltd., Saint John, N.B., the invocation and a welcome to the 2,300 registered delegates were pronounced by His Eminence Paul Emile Cardinal Léger. Following presentation of the gavel by Mr. Allen to Mr. Eggerding, welcomes were extended by Colonel Redmond Roche, Q.C., for the Province of Quebec; by His Worship Camillien Houde, O.B.E., mayor of Montreal; for The C.C.M.T.A. by Joseph Langley of Drummond McCall & Company, Ltd., Montreal, general convention chairman; for the host city association and Quebec Division by its president, Ralph N. Parsons, of Canadian Cottons, Limited, Montreal.

The response was made by Lorne D. Duncan, general credit manager, National Distillers Products Corporation, New York, 1951-52 N.A.C.M. president. Mr. Eggerding's report followed. The lighter side of problems of sales, credit and public relations was presented by J. Lance Rumble, general manager, G.M.C. truck retail branch, General Motors Products of Canada, Ltd., Toronto, before Mr. Heimann's address.

Petroleum Association Presents Awards

With Dr. Carl D. Smith, executive director of the N.A.C.M. Graduate Schools of Credit and Financial Management, President R. W. Weiler of the American Petroleum Credit Association and assistant treasurer and general credit manager of The Texas Company, New York, presented three special awards of the petroleum association to the following 1952 graduates, for the study reports listed:

Marion M. Johnson, assistant treasurer, Brown-Forman Distillers Corporation, Louisville, "A Plan for the Selection and Training of Management Executives"; Tull N. Gerreald, credit manager, Southern States Cooperative, Inc., Richmond, Va., "An Analysis of the Relationship of Credit Control to Variations in Sales"; and Eugene Sype, assistant cashier, Bank of America N.T.&S.A., Los Angeles, "Application of Historical Monthly Sales and Purchases Data to Analysis of Financial Statements."

National Membership Winners

Mr. Messer presided at the Monday afternoon plenary session. Presentation of national membership awards was made by A. G. Keller, assistant vice president, Mellon National Bank & Trust Company, Pittsburgh, and chairman of the national membership committee. He was introduced by Edwin B. Moran, N.A.C.M. secretary and gen-

Thanks, Neighbor!

NO MORE conclusive expression of international amity among free peoples could be desired than the hand-of-friendship and cooperation which manifested itself throughout the 57th Annual Credit Congress in Montreal, Canada, May 17-21.

In the general programs and in the Industry Group Meetings alike, there were no borders to cross. There were at times differences of opinion, as well as varying thoughts as to the best approach to solution of problems, but such thinking was invariably constructive. A free exchange of ideas means progress. The absence of divergences of thought in any segment of business can not help but mean a stagnation of advancement and progress.

The sincere effort of those charged with the responsibility for the Credit Congress brought forth a balanced program which gave to the plenary sessions a variety of thinking and to the Industry Group Meetings a host of workable ideas for the men and women of credit.

As president of the National Association of Credit Men, I bespeak our thanks to the officers and committees of the Canadian Credit Men's Trust Association, Limited, and to the Quebec Province Division for contributing so much to an eminently successful Credit Congress, and to all our northern friends individually our appreciation of the limitless effort exhibited in making our stay in Montreal both profitable and pleasurable.

D. M. MESSER
President

eral manager of sales and promotion. (Pictures on page 33.)

Herman M. Kessler, president of Standard Printing Company, Louisville, and chairman of the advisory committee of *Credit and Financial Management*, presented the awards to the winners in the magazine's essay competition on office streamlining.

First award went to James N. Jones, treasurer, Decatur & Hopkins Company, Boston; second, Miss Margaret Hail, credit assistant and supervisor, The Chattanooga Medicine Company; tied for third, Harald H. Rasmussen, credit manager, The Emerson Drug Company of Baltimore City; Wylie K. White, now credit manager, Fulton Bag and Cotton Mills, Atlanta, represented by G. M. Clements of J. M. Tull Metal and Supply Company, president of the Georgia Association of Credit Management, Inc.; and Walter B. Collins, managing editor, McCord's Daily Notification Sheet, Portland, Ore., represented by C. A. Parker, General Mills, Inc., and president of the Portland Association of Credit Men.

The dynamics of credit and the rapid multiplying of technological advancement and trained financial and scientific specialists account for Canada's discovery and development of resources

and record progress in production and financial strength, the convention was told by F. Cyril James, M.A., Ph.D., principal and vice chancellor of McGill University, Montreal. (Separate article in a later issue.)

Notable in the programs of the 29 Industry Group Meetings, which took all convention attention on Tuesday, was the balanced representation of credit executives of Canada and the United States in the panel discussions and individual addresses.

Mr. Bradshaw called to order the one plenary session of Wednesday. After the invocation by The Venerable the Archdeacon A. P. Gower-Rees, M.A., D.C.L., M.C., rector of St. George's Church, Montreal, a plea for removal of U.S. tariff and other obstacles to world trade was sounded by Graham Towers, governor of the Bank of Canada, Ottawa. (Mr. Towers' address is to appear in digest next issue.)

Following the bank panel came the second address of the session: "The Challenge of the Dynamic Future," by John Jay Hopkins, chairman and managing director of Consolidated Vultee Corporation, San Diego, chairman and president of General Dynamics Corporation, New York, and Canadair, Ltd. Mr. Hopkins urged early access to atomic energy for civilian pursuits. Companies already have available a trained nucleus of management specialists in all departments, now in the service of the Government for military applications, he said. (Story on page 18.)

Mr. Viall, central division vice president, called the final plenary session

(Concluded on page 36)

*Confidence imparts a
wondrous inspiration to its
possessor.*

—John Milton

President Eggerding Reports on Progress

Every Department of Organized Credit Shows Year of Moving Forward

Every area of operations of the National Association of Credit Men has made steps forward in the past year, as shown by the annual presidential report presented here in digest.

By VICTOR C. EGGERDING

General Credit Manager
Gaylord Container Corporation
St. Louis, Missouri

SINCE we met a year ago, the board of directors and management of the National Association of Credit Men have continued to lend their energies to the task of increased service and helpfulness to the membership, with results both encouraging and gratifying. Without exception, I believe, progress is reported in every division and department, management strengthened, finances improved, and prospects bright and encouraging.

Let's look at the record:

MEMBERSHIP—Another year of progress and net gain. Today we have 32,324 members.

MANAGEMENT—At its best today in both local and national association operation. Changes made in personnel have strengthened the organization, qualifying it to render the best service and credit protection ever experienced.

FINANCING—Sound and with the best ratio of net worth in the history of the National organization. The budget again has been balanced. As for the 139 affiliated local associations, in a consolidated balance sheet report of approved Bureaus there are assets of \$2,666,795 which, with liabilities listed and consisting principally of deferred income for services paid, and other reserves, leave a consolidated net worth of more than \$1½ millions.

FRAUD PREVENTION—More active this past year than any time since pre-World War II, with 13 indictments, 7 convictions to its credit and an extension of facilities by increased territorial coverage and additional field representatives.

CREDIT INTERCHANGE—Reports membership gain and increased usage of service by members. Dispatch of the completion of reports shows notable improvement. The department serves in excess of 40 per cent of the entire national association membership.

COLLECTIONS—Volume of collection business annually handled by the approved Collection Divisions runs into the tens of millions of dollars. Approximately 60 Service Bureaus, with facilities in every market throughout the country, daily are assisting members in a constructive fashion that lends itself

to future business if conditions warrant. The newly established collection facilities in New York City have made rapid progress and daily are adding to the number of members being served.

LEGISLATIVE—Not so much this year in the sponsorship of new federal and state legislative bills as in analysis, clarification and counseling on various measures affecting commerce, and on the defeating of proposed legislation that would be unfavorable to business. The Association, which originally initiated and sponsored the Par Clearance of the Federal Reserve System, continues to be the champion of the par clearance system. Due to the influence of the credit fraternity, there has been

anything else will professionalize credit management. We urge a strong education committee in every local association.

GRADUATE SCHOOL OF CREDIT & FINANCIAL MANAGEMENT—No activity of our Association contributes more permanently to the enrichment of the thinking and philosophy of credit management than this School. More than 300 credit and financial executives will attend the two-week sessions of this school this summer at Stanford University and Dartmouth College. The acceptance of these Credit Schools by top management is encouragingly evident.



A FINAL PRESIDENTIAL appearance of Victor C. Eggerding before a local credit association brought the outgoing president of the National Association of Credit Men to Syracuse to address delegates from five cities. Here (l. to r.) are R. M. Wilder, Pass & Seymour, Inc., national director; E. W. Walrath, John Deere Plow Co., councillor, Syracuse association; Mrs. and Mr. Eggerding, and N. D. Bartle, local secretary.

a steady transfer of non-par clearance banks to the par list, which constitutes a direct saving and benefit to all business. The Association is interested in the proposed Uniform Commercial Code, which intends to revise, modernize and redraft the greater part of the commercial laws in each of the 48 states. In Pennsylvania the Code has passed both houses. We cannot too strongly urge that the legislative committees of all local associations give special consideration to its study.

NATIONAL INSTITUTE OF CREDIT—has expanded its operation, increased the number of colleges and universities working with the Association's educational division, and has improved and strengthened its program of service to employees of credit departments. The activity of this department more than

CREDIT RESEARCH FOUNDATION—Membership has increased. The service has been spectacularly effective. Numerous releases, surveys and researches have been published, the last of which was the 300-page Analysis and Evaluation of Credit Management Functions.

FOREIGN DEPARTMENT—is celebrating its 33rd anniversary of service to American exporters and improvement of international trade by sound credit practices, a great assistance in expediting foreign credit analysis. This activity will be of increasing importance as productive capacity of this country exceeds our normal domestic consumption and we must look to the rest of the world to buy and pay for our surpluses.

(Concluded on page 36)

THE MESSER STORY

(Concluded from page 13)

contribution, inspiration and leadership that Henry Heimann has given us during the past 20 years. The impact of his wisdom and philosophy is a constant source of encouragement for all of us.

"I pledge all we can do to make your deliberations constructive in our march of progress in the year that lies ahead. That we may differ from time to time among ourselves on the issues with which we may have to deal would not be strange; in any large family such differences generally result in careful thinking and planning. It should be our purpose to obtain the views of the many in an effort to refine the thinking of our organization in the formulation of our policies.

"Every man or woman who has the intelligence to discriminate between what is real and what is false in the struggle for accomplishment, and who has the ability to cut off the false, and furnish a conscientious effort to preserve the true, cannot help but succeed. The very fact that we may differ in details is healthful. So long as we retain our ability to serve each other, with all our follies—because of the freedom that enables us to be foolish as well as wise—we shall travel together down the road of reason, contentment and success."

A sure hand is at the wheel, the skipper's eyes to the horizon—straight ahead.

KERR

(Concluded from page 9)

fidant that by creating conservative reserves our contingent liability will be thoroughly protected.

At the present moment, despite the difficulty that is being experienced all over the country in the appliance field in collecting receivables, our ledgers show a receivables figure that is equivalent to slightly less than five weeks sales volume.

After seven years with a bank, the last four as a bank branch manager, H. F. B. KERR became credit and personnel manager for R. W. Norris and Sons, Inc., wholesale automotive distributors. In 1948 he took his present post as credit manager of the Bendix Radio Division of Bendix Aviation Corporation in Baltimore. Past president of the Baltimore Association of Credit Men and now on the advisory committee Mr. Kerr also was on the National board 1946-48. He is a past director of the Baltimore Association of Commerce.

Keller Presents 39 Membership Awards; Seven Association Secretaries Honored

THIRTY-NINE membership awards were presented by A. G. Keller, assistant vice president, Mellon National Bank & Trust Company, Pittsburgh, chairman of the N.A.C.M. national membership committee, at the 57th Annual Credit Congress and Second International Convention, in Montreal. A pictorial page of the presentations appears opposite.

A new award this year was to secretaries of local associations which have maintained consecutive monthly net gains for five years or more. Seven pen sets went to the secretaries at Boston, Cleveland, Denver, Indianapolis, Louisville, Rochester, and San Diego.

The total national membership as of April 30, 1953, was 32,324, a net gain of 364 over May 1, 1952.

20 Plaques, 12 Wrist Watches

Twenty plaques and 12 Gruen wrist watches were awarded, in addition to the pen sets.

Indianapolis, in special recognition for 133 consecutive months of net gains, was the winner of a wrist watch.

Miss Meda Campbell, Central State Bank, received for the Credit Women's Group of Oklahoma City a special plaque for the largest net gain among the 53 women's groups in the past year.

One-year Awards

The one-year membership plaques were awarded to the following associations:

- Class AA—Tied: Los Angeles, Calif., and Pittsburgh, Pa.
- Class A—Philadelphia, Pa.
- Class B—Tied: Omaha, Neb., and New Orleans, La.
- Class C—Dallas, Texas.
- Class D—Tied: Nashville, Tenn., and Honolulu, T.H.
- Class E—Knoxville, Tenn.
- Class F—Utica, N.Y.
- Class G—Roanoke, Va.

In each of the above groups the member contributing most to the success of the membership progress is the winner of the award. The officers of the association in all cases determine the recipient, with the official presentation at the first ensuing meeting of the local association.

Five-year Awards

Consistency of membership effort, based upon a five-year record, brought plaques to the following:

- Class AA—Pittsburgh, Pa.
- Class A—Rochester, N.Y.
- Class B—Syracuse, N.Y.
- Class C—Richmond, Va.
- Class D—Cape Girardeau, Mo.
- Class E—Mansfield, Ohio.
- Class F—Erie, Pa.
- Class G—Roanoke, Va.

A net gain of national memberships in the five years was 3,410, as announced by Edwin B. Moran, N.A.C.M. secretary and director of sales.

Presenting the Awards

(See page opposite)

- (1) Knoxville. One year membership award, (left to right) W. R. Cooper, Chandler & Co.; A. G. Keller, assistant vice president, Mellon National Bank & Trust Co., Pittsburgh, chairman of N.A.C.M. national membership committee; R. N. Byrd, C. M. McClung & Co.
- (2) Utica. One year. I. W. Gilbert, Gilbert & Knight Co.; Henry H. Heimann, executive vice president, N.A.C.M.
- (3) Cleveland. Five year. R. M. Young, Mansfield Tire & Rubber Co., Mansfield, Ohio; Keller; J. J. Conte, Conte Plumbing & Heating Co., Erie, Pa.
- (4) Pittsburgh. One year. M. G. Shevchik, Elliott Co., Jeannette, Pa.; J. E. Lacey, Pittsburgh association sales manager.
- (5) Dallas. One year. E. C. Paxton, Dallas Power & Light Co.; G. E. Lawrence, association secretary-manager.
- (6) Philadelphia. One year. J. V. Williams, Concrete Products Co. of America; W. B. Cashmore, Alan Wood Steel Co., Conshohocken, Pa.
- (7) Rochester. Five year. R. F. Pear, Pfaudler Co.; E. B. Moran, N.A.C.M. secretary and manager of sales and promotion.
- (8) Roanoke. One year. D. B. Sigmon, Clover Creamery Co.; H. W. Shepherd, Shepherd's Auto Supply; Keller; S. F. Woody, Roanoke Hardware Co.
- (9) Oklahoma City. Credit Women's Group Award. Meda Campbell, Central State Bank with Mr. Keller.
- (10) Syracuse. Five year. V. C. Eggerding, Gaylord Container Corp., St. Louis, N.A.C.M. immediate past president; A. W. Mabon, Merchants National Bank & Trust Co., Syracuse; Keller; R. M. Wilder, Pass & Seymour, Inc.
- (11) New Orleans. One year. F. L. Lozes, association secretary-manager; Keller; P. S. Kernion, Meyer Brothers Drug Co.
- (12) Erie, Pa. Five year. R. W. Graham, Uniflow Manufacturing Co.
- (13) Pittsburgh. Five year. D. R. Meredith, association secretary; and J. H. Donovan, Jones & Laughlin Steel Corp.
- (14) Omaha. One year. E. N. Solomon, First National Bank of Omaha; E. H. Kurtz, association secretary-manager.
- (15) Los Angeles. One year. D. F. Sellards, Ellis-Klatchar & Co.; Arthur Reese, W. P. Fuller & Co.; F. R. Dansby, Union Bank & Trust Co.; A. D. Johnson, association executive vice president.
- (16) Special award to secretaries of local associations. Consecutive monthly gains five years or more. J. B. McKelvy, Denver; S. J. Schneider, Louisville; R. H. Coleman, Cleveland; Lawrence Holzman, San Diego; C. J. Briggs, Rochester; H. J. Lamb, Boston; E. B. Moran. Not present: Merritt Fields, Indianapolis.

Auto Financing Rates Rise With Higher Borrowing Cost

Auto financing rates have been increased by Commercial Credit Corporation to conform with the higher cost of money borrowing, says Chairman A. E. Duncan.

Limitation of extension of credit on used autos has been undertaken in order to avoid abrupt increase in the number of repossessions and to pare credit losses in any future business adjustment, it was pointed out.

James R. Perry Dies

Secretary and treasurer of the Elgin National Watch Company for 25 years before his retirement in 1929, James R. Perry died at 90 in Winnetka, Ill.

Honors to Those Building Strength by Members



Fishbeck Was Vice President of National; Headed the Zebras

Lester Fishbeck, onetime vice president, western division, National Association of Credit Men and past president of the Credit Managers Association of Southern California, was preparing to leave Los Angeles for the 57th Credit Congress in Montreal when he was stricken.

Mr. Fishbeck for ten years was assistant treasurer and credit manager for the Coast Packing Company, after having been employed in 1925 as office manager and credit manager.

Formerly Grand Exalted Zeb of the Royal Order of Zebras, Mr. Fishbeck was active in Herd No. 1, Los Angeles. He had served on many committees of the Southern California association and held a number of offices.

William E. Moore Dies at 86; Headed Baltimore Association

William E. Moore, who died at 86 in Baltimore, had been the 21st president of the Baltimore Association of Credit Men, 1934-36, and had been active on many of its committees while he was assistant secretary of the United States Fidelity and Guaranty Company, a position from which he retired in 1945. He had been ill two years.

At 18 Mr. Moore had gone to Baltimore from his native Westminster, Md., to work in a collection bureau. He moved to Philadelphia when he became associated with publication of a directory of bankers and attorneys. Returning to Baltimore to join the insurance company. He was promoted to assistant secretary in 1924.

56 Years in Credit, Retires; CFM Award Winner Successor

With the retirement of William C. Lovejoy on the 33rd anniversary of his association with the Fulton Bag & Cotton Mills, Atlanta, of which he was credit manager, Wylie K. White, formerly assistant credit manager, has advanced to that position. Mr. White is a winner in the recent competition on office streamlining, conducted by CREDIT AND FINANCIAL MANAGEMENT.

Mr. Lovejoy started his credit career in 1897 with The Bradstreet Company, Atlanta, and transferred to the Birmingham office as branch manager. He was five years office manager for the Fairbanks Company in New Orleans. In 1920 he returned to Atlanta as credit manager for Fulton Bag.

Out of his 56 years in the service of credit, Mr. Lovejoy, past president

of the Georgia Association of Credit Men, has seen the advancement of the profession of credit through improved training and specialization into a profession with a strong code of ethics.

Mr. White, after a period of service with Dun & Bradstreet, Inc., was successively credit manager of J. M. Tull Metal & Supply Company and general credit manager of Coplan Pipe & Supply Company, Macon, Georgia, before joining Fulton Bag last year.

More Facts on Auto Insurance

To set policyholders straight on chief causes of misunderstanding on auto liability insurance rates, the Association of Casualty and Surety Companies has issued a leaflet titled "Three Important Facts about the Price You Pay for Automobile Liability Insurance."

A Word to the Employees

Passenger complaints as well as praises are there for all employees of Trans World Airlines to read when the regular publication of the company is distributed. (*Mill & Factory*)

Minimizing the Penalties

Immediate return to a gold standard and "a redeemable currency" is essential to "minimize the penalties for the unsound monetary practices of the last 20 years," says Walter E. Spahr, executive vice president of the Economists' National Committee on Monetary Policy.

Hourglasses and Phone Talkers

Miniature hourglasses, on desks in the Plastics Division of Monsanto Chemical Company, Springfield, Mass., delicately suggest that three minutes are enough for a phone talk. It takes the "sand" a bit less than that time to complete its trip. (*Modern Industry*)

OFFICIAL FAMILY

For N.A.C.M.'s New Year

Company affiliations and titles of officers and directors of the N.A.C.M. for 1953-54. The president and three divisional vice presidents are also directors. Past presidents Eggerding, Duncan and Sutherland are advisory directors. Asterisks preceding names designate new officers and directors. (Pictures on opposite page.)

D. M. MESSER, N.A.C.M. President, Vice President and General Manager, Dohrmann Commercial Co., San Francisco.

C. HERBERT BRADSHAW, Vice President, Eastern Division, General Credit Manager, Bausch & Lomb Optical Co., Rochester, N.Y.

*IRWIN STUMBORG, Vice President, Central Division, Assistant Treasurer and Credit Manager, Baldwin Piano Co., Cincinnati, Ohio.

*GEORGE T. STOCKFLETH, Vice President, Western Division, Assistant Secretary-Treasurer, California Wire Cloth Corp., Oakland, Calif.

HAROLD H. BERG, Secretary, Dakota Electric Supply Co., Fargo, N.D.

*RALPH E. BROWN, Vice President, Marsh & McLennan, Inc., St. Louis, Mo.

L. MERLE DAVIS, Treasurer and Assistant Secretary, The Kuner-Empson Co., Brighton, Colo.

*JAMES H. DONOVAN, Assistant Treasurer, Jones & Laughlin Steel Corp., Pittsburgh, Pa.

JOHN H. FRAZIER, Credit Manager, Great Lakes Steel Corp., Ecorse, Detroit, Mich.

*WALTER J. GIELEN, General Credit Manager, The Hilton Hotels Corp., Chicago, Ill.

JOHN R. HEERY, Manager of Customer Accounting, United Illuminating Co., New Haven, Conn.

W. L. HOLMES, Assistant Treasurer, Schlumberger Well Surveying Corp., Houston, Texas

LEO E. JONES, General Credit Manager, Arkansas Fuel Oil Co., Shreveport, La.

HERMAN M. KESSLER, President and General Manager, The Standard Printing Co., Louisville, Ky.

EUGENE V. KIDD, Credit Manager, Studebaker Corp., South Bend, Ind.

MRS. LUCY G. KILLMER, Secretary-Treasurer, The Guarantee Specialty Mfg. Co., Cleveland, Ohio

*FRANK C. KNAPP, Assistant Treasurer, Endicott Johnson Shoe Corp., Endicott, N.Y.

JOSEPH F. MADDEN, Manager of Credits, Nicholson File Co., Providence, R.I.

R. G. MILLS, Executive Vice President-Treasurer, Clowe and Cowan, Inc., Amarillo, Texas

WILLIAM J. NEWMAN, W. R. Winslow Co., Washington, D.C.

*T. DOUGLAS OXFORD, Credit Manager and Assistant Treasurer, General Shoe Corp., Nashville, Tenn.

F. G. PHILLIPS, Secretary-Treasurer, Globe Machinery & Supply Co., Des Moines, Iowa

JAMES GILBERT PURVIS, Treasurer, Atlantic Steel Co., Atlanta, Ga.

JOHN S. SMITH, District Credit Manager, Tidewater Associated Oil Co., Portland, Ore.

A. EDWARD SOUTHCATE, Treasurer and General Credit Manager, Philadelphia & Reading Coal & Iron Co., Philadelphia, Pa.

*ELMO TRIMBLE, Secretary-Treasurer, Wilson Paper Co., Los Angeles, Calif.

*J. ALLEN WALKER, General Credit Manager, Standard Oil Company of California, San Francisco, Calif.

*WILLIAM WANVIG, Secretary, Globe-Union, Inc., Milwaukee, Wis.

RODERIC M. WILDER, Controller, Credit Manager and Assistant Treasurer, Pass and Seymour, Inc., Syracuse, N.Y.

*W. SAMUEL WILSON, Treasurer and Assistant Secretary, Sloss-Sheffield Steel & Iron Division of U.S. Pipe & Foundry Co., Birmingham, Ala.

FREDERICK W. ZANDER, Assistant Treasurer, United States Plywood Corp., New York, N.Y.

OFFICERS N.A.C.M.



PRESIDENT D. M. MESSER



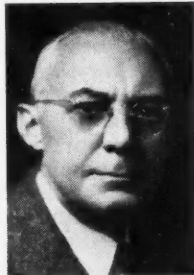
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V. P. Western Div.



IRWIN STUMBORG
V. P. Central Div.



V. C. EGGERDING
Immediate Past Pres.



L. D. DUNCAN
Past President



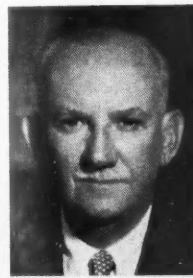
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H. H. HEIMANN
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L. E. JONES



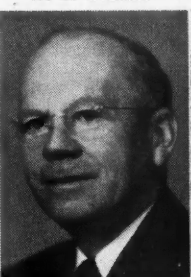
H. M. KESSLER



E. V. KIDD



MRS. L. G. KILLMER



F. C. KNAPP



J. F. MADDEN



R. G. MILLS



W. J. NEWMAN



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F. G. PHILLIPS



J. G. PURVIS



J. S. SMITH



A. E. SOUTHGATE



ELMO TRIMBLE



J. A. WALKER



WILLIAM WANVIG



R. M. WILDER



W. S. WILSON



F. W. ZANDER

DIRECTORS 1953-54

Edgerding Reports on Progress

(Concluded from page 31)

CREDIT WOMEN'S GROUPS—There now are 53 of these units with membership approximating one-tenth of our National membership.

CREDIT MANUAL OF COMMERCIAL LAWS—one of the Association's greatest contributions to credit management. The number of members using this guide and helpful annual edition is increasing each year. The work is progressing in the review of legislation and court actions which will be the basis for this Manual of Commercial Laws for 1954.

CREDIT DEPARTMENT FORMS—have been restudied and revised. A new one—"A Confidential Credit Application"—has been issued. Acceptance and use already provide proof of its value and effectiveness.

CREDIT AND FINANCIAL MANAGEMENT—Your official publication and monthly magazine has been redesigned and is recognized as the leading publication in the field of credit and financial management. Nearly 100 per cent increase of advertising has been developed over a year ago. Daily mail gives evidence that this publication is being accepted as a medium of pronouncements of modern credit and treasury department control and operations. I hope you pass each copy on to your other executives after you have read it. This will keep them advised of progressive credit practices and of your Credit Association activities.

INDUSTRY CREDIT GROUPS—I wonder if the average member recognizes that there are approximately 1,000 of these organized industry groups that meet at least once a month, some more frequently, in local and national association operations. I am satisfied that three out of every five members participate in one or more of these Industry groups. No better facility is available for appraisal and intimate knowledge of your accounts. If there is not a group presently operated to fit your requirements, consult with your local or national association for assistance in this development.

INSURANCE ADVISORY COUNCIL—has been most active this year. At their own expense, the members held meetings in New York, Chicago and St. Louis. They have rendered a constructive service of education and advisory assistance and have sponsored an outstanding panel presentation at this Credit Congress.

WASHINGTON SERVICE—continues active and renders a distinct assistance to members on their perplexing problems with various government agencies, bureaus or departments. The number of members served is annually increasing.

OUR EXECUTIVE MANAGER'S MONTHLY BUSINESS REVIEW—Between 33,000 and 34,000 copies are distributed to members each month, and the number of requests for additional copies not infrequently exceeds the total regular run and membership distribution. There have been instances in which over 100,000 extra copies have been requested. Company executives ask the privilege of quoting from it to customers, sales forces and employees. The best appraisal is the liberal space given by newspapers to the pronouncements of our Executive Manager.

The National Association of Credit Men is now entering its 58th year, a record which stands as a true measure of our service to the advancement of American commerce, and to the economic welfare of our nation.

It is the determined purpose of the officers, directors, management and membership generally, that your Association shall remain strong and continue its progress, so that credit will more and more be recognized as a prime factor in ever increasing profits of business and your position will be recognized as a definite productive part of management.



Bill: *Why did you fire that gorgeous secretary you had?*

Ed: *She couldn't spell — kept asking me to spell every other word when she took dictation.*

Bill: *And you couldn't stand the interruptions?*

Ed: *Oh, I didn't mind the interruptions — I just didn't have time to look up the words.*

—Kablegram

CONVENTION

(From p. 30)

to order Thursday forenoon, and for the invocation introduced The Very Reverend C. Ritchie Bell, D.D., professor of pastoral theology, The Presbyterian College, McGill University, Montreal.

Inspired and imaginative diplomacy is needed to ward off the dangers of cleavage inspired by the Communists, declared John G. Diefenbaker, Q.C., M.P., House of Commons, Ottawa. Mr. Diefenbaker, who was a member of the Canadian delegation to the United Nations, both at the formation in San Francisco and later in New York, warned that "Moscow has made a detour, but the U.S.S.R. has made detours before."

The 11 resolutions presented by the resolutions and policy committee and

adopted by the convention, were read by Chairman John H. Frazier, credit manager of Great Lakes Steel Corporation, Detroit. (See page 37.)

Special recognition was given by the Credit Congress to the convention committees and to the work of S. J. Haider, convention director. Particularly appropriate was the traditional "Auld Lang Syne," with the fresh memories of the interchange of ideas in plenary sessions and Group meetings and the varied entertainments arranged.

Special events of organizational note were many.

At the dinner meeting of the Zebras, Lester C. Scott of Memphis introduced his successor as Grand Exalted Superzebe, Larry Folda of San Diego, elected at the luncheon and business session. Other new officers are Glen Russell, Wichita, Kans., Central Ranger and Vice Grand Exalted Superzebe; Robert S. Thompson, Pittsburgh, Eastern Ranger; William Ware, Los Angeles, Pacific Ranger; Wes Williams, Oakland, Western Ranger, and G. Earl Brister, New Orleans, Southern Ranger.

Claude S. Richardson, M.A., LL.B., Q.C., member of McMichael, Common, Howard, Ker & Kate, Montreal, addressed a joint breakfast meeting of the Canadian Credit Institute and the National Institute of Credit.

At the International Trade Luncheon, co-sponsored by the Canadian Exporters Association and the Foreign Credit Interchange Bureau, William S. Swingle, president of the National Foreign Trade Council, Inc., pointed out requisites of further expansion of foreign trade. (Report in a future issue.)

A round table conference which followed, with a panel of 15 discussion leaders, had as chairman Nicholas J. Murphy, vice president. The Chase National Bank, New York, and as secretary Philip J. Gray, manager of the Foreign Credit Interchange Bureau.

Hottinger Now President of Flavoring Extract Association

William H. Hottinger, Jr., assistant secretary and general credit manager, Bowey's Inc., Chicago, has been elected president of the Flavoring Extract Manufacturing Association of the United States, at the association's 44th annual conference in Atlantic City, N.J.

Mr. Hottinger has supervised credit for Bowey's for more than 26 years, has served a term of four years as a director of the Chicago Association of Credit Men, was chairman of the Manufacturing Confectioners group for two terms, and is a member of the association's legislative committee.



W. H. HOTTINGER, JR.

Resolutions and Policies Adopted for 1953-54

FOLLOWING is a summarization of the resolutions presented by the resolutions and policy committee and adopted by the 57th Annual Credit Congress of the National Association of Credit Men:

1. The National Association of Credit Men, representing thousands of large and small business organizations, recommends that without discrimination toward any business, large or small, the following program for small business be given consideration by the Government:

(a) Elimination wherever possible of report filing and other governmental statistical demands made upon business. These requirements prove a real hardship on small business, which has neither the staff nor the time to comply with these various requirements;

(b) That all business be given a rate of taxation which would provide the incentive to grow and to expand its operations;

(c) That careful study be made of means and methods whereby financing to small business can be made more readily available. Such financing should be accomplished through private sources rather than Governmental Agencies, and

(d) Be it further resolved, that a copy of this resolution be sent to U. S. Representative Horace Seely-Brown, Jr., Chairman of Subcommittee Number Two of the House Select Committee on Small Business.

2. On recommendation of the National Legislative Committee, it is resolved that the National Association of Credit Men commend the Congress of the United States on its recent progress toward removal of tax inequities, and request that the Congress enact legislation which will further eliminate such inequalities of tax treatment among competing private businesses.

3. The "excess profits" tax should be permitted to expire at the earliest date possible and the double taxation of dividends eliminated.

4. The present trend toward a sound monetary policy should be continued by an orderly management of the public debt.

5. This Convention goes on record against any federal enactment of standby authority to institute direct economic controls.

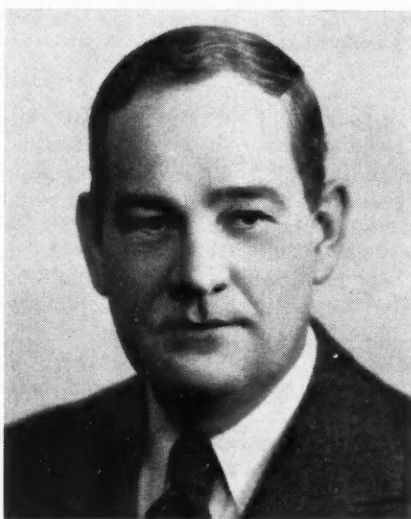
6. Authority to devalue the dollar should be withdrawn from the Presidency of the United States, and steps taken to return to the gold standard.

7. This Association urges that as much economy be applied to the federal budget and expenditures as is

consonant with the safety of our land and the best interest of business, labor and public alike.

8. This Convention concurs with the National Bankruptcy Conference in opposition to a proposed amendment which in effect would eliminate a general assignment for the benefit of creditors as an act of bankruptcy.

9. This Association, representing more than 32,000 manufacturing and wholesaling industries, insurance companies, banking institutions and public utilities, commends steps taken by the federal government to reduce its com-



CHAIRMAN J. H. FRAZIER

petition with private business, and urges orderly extension of this movement to restore free enterprise to its rightful place in the national economy.

10. The peace-loving peoples of the Dominion of Canada and the United States have lived side by side in harmony for one hundred forty years. Peace for the world has been threatened by the war in Korea. Be it resolved that this Credit Congress join men of goodwill everywhere in praying that the truce talks at Panmunjom may soon be crowned with success and that peace with honor may come to that hapless land.

It is ironic for us to be in the position of giving aid to a foreign country, thus enabling it to relieve its domestic taxpayers, while our official leaders rationalize their inability to do as much for our own taxpayers.

—Merryle Rukeyser
in *Chicago American*

11. This Second International Credit Convention and the 57th Annual Credit Congress has set a new high mark of working interest and accomplishment in advancement of the profession on both sides of the border. We of the National Association of Credit Men gratefully extend to our brethren of The Canadian Credit Men's Trust Association Limited and its Quebec Division our hearty thanks for making our stay in beautiful Montreal one to be cherished as an unforgettable demonstration of the great amity thriving between two sister commonwealths.

(1) To Joseph Langley, General Convention Chairman; to President L. T. Allen of the Canadian Credit Men's Trust Association Limited; to Ralph N. Parsons, President of the Quebec Division and vice-chairman of the Convention; to E. T. C. Burke, General Manager of the C.C.M.T.A.; and Secretary Manager Charles P. Dumas of the host association, and to their associates and members of the many committees; and

(2) To each member of the Hostess Committee, to Mrs. Joseph Langley, chairman, and Mrs. M. W. Osborne, vice chairman; to Mrs. A. Kenworthy, chairman of the Credit Women's Committee, and Miss N. Passey, vice-chairman, all of whom have done so much for the entertainment of our wives and daughters;

(3) To the Robert Morris Associates for their large part in both the general program and the Industry Group Meeting; and

(4) To the Montreal and other Canadian daily newspapers and business publications of both languages, the Canadian Press, the British United Press, and the Canadian Broadcasting Corporation's radio and television news services, to the press services of the States and to the Daily News Record of New York, for their painstaking coverage of the Convention; and

(5) To the Windsor, Mount Royal and Laurentien hotels, co-headquarters of the convention, and to other cooperating hotels and clubs.

JOHN H. FRAZIER,
Committee Chairman,
Great Lakes Steel Corporation,
Detroit, Mich.

MEMBERS: R. LYNN GALLOWAY, Eastman Kodak Company, Rochester, N. Y.; H. PARKER READER, Cannon Mills, Inc., New York, N. Y.; W. S. WILSON, Sloss-Sheffield Steel & Iron Division, United States Pipe and Foundry Company, Birmingham, Ala.; FRED A. CATES, Arden Farms Company, Los Angeles, Calif.; GRANGER H. SMITH, Buhner Fertilizer Company, Seymour, Ind.; and ERNEST A. ROVELSTAD, secretary to committee, Credit and Financial Management, Chicago, Ill.



PARTICIPATING in a Credit Seminar of the Kansas City Wholesale Credit Association were: (standing, l to r) Russell Casemore, attorney, Casemore & Berman; J. N. Ham, association secretary-executive manager; R. W. Durrett, Sheffield Steel Corp.; Don Casper, Speed-Warner Corp. Seated: George Morgan, Sheffield Steel Corp.; Paul Kirner, Carter-Waters Corp.; Tom McGurn, Contractors Supply Co., moderator.

HEIMANN

(From p. 17)

of new conditions that are bound to arise in a changing economy."

In the past, some of the problems of the North American nations and other nations as well have arisen through credit inflation. We need only to turn back to the days of '29 when we had a tremendous security credit inflation or the early '20's when we had a heavy commodity credit inflation.

"Credit is resilient but it can be stretched too far and its elasticity broken. It is neither a service to your company, your country, nor to the world if you pursue a credit policy that ignores economic conditions. Nothing is so quick to react unfavorably as credit misuse or abuse.

"The worthy and deserving in business, in individuals, and in nations will not lack for credit. Their claim for credit worthiness, however, will have to be better prepared and will be more carefully evaluated. The charge they pay for the hire of money will be more than it has been."

WALKER

(From p. 15)

tages in either method, Mr. Walker said, but in any case "there should be specific methods of measuring credit performance"—and certain phases can be measured arithmetically.

"A performance measurement is particularly valuable for companies where credit operations are carried on through districts, divisions or other units. Since 1948 we have used a performance measurement which has very effectively given us what

we needed. It measures credit performance through six basic factors, with four of them twofold as they measure both as to dollars of receivables and numbers of accounts. By weighing these factors in relation to their importance, we arrive at one final composite figure which permits quick comparisons with other districts or units and also with the unit's own performance for the same period of the previous year. Two composite figures are thus obtained—one for wholesale receivables and one for retail receivables. The figures relating to each factor of measurement also enable management quickly to determine weaknesses as they develop and to place necessary emphasis on whatever phase of operation needs improvement."

Diners' Credit Card Records Help Bookkeeping at Tax Time

With high taxes turning America into a nation of bookkeepers, the originators and sponsors of credit card services have a ready-made talking point in the basis of operation of such systems: the keeping of records of expenditures.

In the Diners' Club, reporting 100,000 members who bill \$1.5 millions a month, in 3,000 restaurants, hotels, night clubs, florists, auto rental services, the cardholder is billed once a month by the central office and retains a record of travel and entertainment expenditures, an arsenal for tax time—and expense accounts.

The Diners' Club, with services extended to England, Hawaii, Mexico and Canada, started three years ago when two businessmen, in New York and Los Angeles, put their

heads together (figuratively, naturally). The two were Ralph E. Schneider, New York attorney, and Alfred Bloomingdale, department store heir.

The prospective member fills out an application card issued at the headquarters in the Empire State Building, New York, or in any key city office. After his credit rating has been established, the club sends him a booklet combining the membership card and a listing of each charge spot, where the individual signs a tab after use of the service there. Members pay \$5 annual dues and receive a monthly Diners' Club newspaper.

Meet Mother-Secretary at Home

To solve the shortage of secretaries, stenos and typists, Robert E. Trattner of Indianapolis set up a plan. Mothers at home, former business folk, transcribe letters and memoranda from machine-dictations. The business executive pays a stated fee; the secretary is paid by the job. Mr. Trattner's messenger service puts it all together. (From an article by Lewellyn in *Collier's*).

Peter Buys Some Stock

When 10-year-old Peter B. Willis of White Plains, N.Y. set out to buy a share of stock of Argus Cameras, Inc., he started something—and became not only the youngest shareholder of the corporation but also the first non-member of the American Stock Exchange to purchase stock directly on that market's trading floor.

After Edward T. McCormick, market president, had told the lad how the Exchange works, Peter started for the floor, followed by his parents and President Robert E. Lewis of Argus. Under the supervision of Earl S. Baird, Exchange member, Peter went to trading post 19 and negotiated directly with Charles P. Kelly, also a regular member, who sold the share to him. Peter, 20 seconds later, saw on a screen an enlarged projection of the regular ticker tape of his transaction, at the same time it appeared on 828 other American Stock Exchange tickers in 134 U.S. and Canadian cities.

Direct Costing's Advantages Traced Before Accountants

Direct costing, a plan to provide management more information concerning cost-volume-profit relationship and to present this information in a form readily understandable to management at all levels, has many advantages, according to conclusions drawn in a study by the National Association of Cost Accountants and its committee on research headed by Charles H. Gleason, controller of the Parts Division of Sylvania Electric Company, Warren, Pa.

Advantages cited include these:

- (1) Data for direct cost are available from the regular accounting statements, thus eliminating comparison of two sets of information.
- (2) The profit for a period is not affected by changes in absorption of fixed expenses resulting from building or reducing inventory.
- (3) Manufacturing cost and income statements follow management's thinking more closely than does the absorption form.

(4) Impact of fixed costs on profits is emphasized.

(5) Marginal income figures facilitate relative appraisal of products, territories, classes of customers and other segments of the business, without an obscuring of the results by allocation of joint fixed costs.

(6) Direct costing ties in with such effective plans for cost control as standard costs and flexible budgets.

(7) The new concept of inventory cost corresponds closely with current out-of-pocket expenditure necessary to manufacture goods.

Four disadvantages noted are:

(1) Possible difficulty in distinguishing fixed costs; (2) supplementary allocation of fixed overhead on normal or other volume base must be made to provide product cost for long range; change from full cost to variable may present income tax problems; and some accountants question the acceptability of direct cost as a basis for costing inventory in financial statements prepared for stockholders and public.

"Happy Service Day" by Radio

On the day an employee of the Aluminum Company of America plant at Lafayette, Ind., reaches his 10th or 15th year of continuous service, the local radio station announces the fact on a news program. The company each week sends in advance a list of names, addresses and departments. (From the *Indiana Manufacturers Association Reporter*)



AT THE CREDIT WOMEN'S FORUM LUNCHEON at the Montreal Convention. Seated (l to r) Mrs. Beath Robinson, Williams & Voris Lumber Co., Chattanooga; Miss Antoinette Rehrauer, Peerless Confection Co., Chicago; Mrs. Audrey Kenworthy, Meco, Ltd., Montreal; Miss Rosa Basler, F. D. Lawrence Electric Co., Cincinnati; Miss Marie Ferguson, secretary-treasurer of executive committee; Mrs. Lucy Killmer, Guarantee Specialty Manufacturing Co., Cleveland. (Standing) Miss Nel Passey, Silks, Ltd., Toronto; Miss J. Fauvel, Bristol Laboratories of Canada, Ltd.; Miss LaVerne Willman, Midwest Electric Co., Minneapolis; Miss Elma Hanson, Blake, Moffett and Towne, Seattle; Miss Marie Louise LaNoue, Times-Picayune Publishing Co., New Orleans; Mrs. Alice Tesch, Crocker First National Bank, San Francisco.

75 Women Serve on Boards of Local Associations; 22 Add to Membership

WITH 53 Credit Women's Groups now having a membership nearing one-tenth of the total enrolment in the National Association of Credit Men, the women's groups exceeded that relative strength at the Second International Congress by registering 18 per cent of the total representation at the Montreal convention.

Reflecting the increasingly important participation of credit women in the activities of the local associations, which in turn evinces the fact that membership in the groups makes for improved capabilities of women credit executives and assistants, more than 75 women are serving on the local associations' boards of directors, 30 are chairmen of committees and 240 are committee members.

22 Groups Add to Memberships

Twenty-two groups showed increases in membership in the past year, Chairman Rosa Basler of the National Credit Women's Executive Committee reported to the 57th Annual Credit Congress. Miss Basler, the three vice chairmen—Miss Elma Hanson, Miss Antoinette Rehrauer, and Mrs. Beath Robinson—and the committee members made frequent trips to the field in membership promotion, assisting the groups' presidents and committees.

Secretary-treasurer Marie Ferguson reported the organization of a new group in Spokane through the efforts of Miss Hanson, Western Division vice chairman, and Della Flynn, committee member, who were instrumental also in formation of the first Canadian Credit Women's Group, organized in Vancouver, B.C. This development was followed by the launching of women's groups in Montreal and Canada.

Thirty-two groups were credited with obtaining 159 new association memberships, a primary objective of group

activities. To the Credit Women's Group of Oklahoma City went the N.A.C.M. plaque for obtaining the largest percentage of new National members based on the group's membership as of May the previous year. The Oklahoma City group's seven new memberships represented a 141.2 percentage. The Chicago group obtained 38 memberships, and 26 were recorded by the New York unit.

Another foremost activity of the credit women is its educational program. Thirty groups are awarding 73 scholarships this year. With the increasing participation in association conferences, with resultant benefits to the delegates, suggestion was made to the groups that they use part of their scholarship funds to send delegates to the National Credit Congress or regional and district conferences. Thirty-two groups have adopted the plan.

Mrs. Lucy G. Killmer, of Cleveland, secretary-treasurer of the Guarantee Specialty Manufacturing Company and the Wright Sales Company, Inc., past chairman of the National Credit Women's Executive Committee, is a member of N.A.C.M.'s board of directors. She was installed at the Houston convention last year.

Continuous Internal Audit Held Essential to Combatting Fraud

The ever-increasing problems of fraud accentuate the fact that "all banks must be made to realize the importance of installing a continuous internal audit program and must not rely on interim or spasmodic checks," Harry E. Mertz, secretary to technical commissions of the National Association of Bank Auditors and Comptrollers, told a Twin Cities conference in St. Paul.

Executive Profession Smothered By Tax Weeds, Says Greenewalt

The executive function is being smothered by the weeds of high income taxes, and the prestige of executives as a new American profession merits emphasis to attract more talent, President Crawford H. Greenewalt of E. I. duPont de

Nemours, told the Executives Club of Chicago.

The incentive experimentations of companies, such as longer vacations and some projects which appear to be disguised compensation and may run into tax interpretation traps, appear to Mr. Greenewalt less inviting than getting across to the public

the fact that business as a profession has come of age and that its members should be given recognition as "practitioners of a difficult and complex art."

And Lyle M. Spencer, head of Science Research Associates and vice president of the Young Presidents organization, says a survey of the 539 members of the latter showed more than 50 cases of checkreining of business growth by the excess profits tax.

The Tax Foundation calls for elimination of waste and duplication, with substitution of a "united national policy" on flood control, irrigation, reclamation, public power and other government-sponsored water development programs.

CALENDAR OF EVENTS IMPORTANT TO CREDIT

STANFORD UNIVERSITY

Palo Alto, California

July 5-18

Session of Graduate School of Credit and Financial Management



DARTMOUTH COLLEGE

Hanover, New Hampshire

August 2-15

Session of Graduate School of Credit and Financial Management



WINNIPEG, MAN., CANADA

September 18-19

Annual North Central Credit Conference covering Minnesota, North and South Dakota, in cooperation with the Canadian Credit Men's Trust Assn., Ltd.



KANSAS CITY, MISSOURI

September 23, 24, 25

Quad-State Annual Credit Conference, comprising Missouri, Kansas, Oklahoma and Southern Illinois



SAN FRANCISCO, CALIFORNIA

September 23-25

Western Division Secretary-Managers Annual Conference



CHICAGO, ILLINOIS

October 14

Illinois Annual Credit Conference



NEW ORLEANS, LOUISIANA

October 14-15-16

All-South Credit Conference



OMAHA, NEBRASKA

October 14-16

Tri-State Annual Credit Confer-

ence, comprising Iowa, Nebraska and South Dakota



LOS ANGELES, CALIFORNIA

October 21-23

Pacific Southwest Annual Credit Conference



BALTIMORE, MARYLAND

October 22-24

Tri-State Credit Conference, comprising New Jersey, New York, Eastern Pennsylvania, District of Columbia, Maryland and Virginia



DETROIT, MICHIGAN

October 23-24

Ohio Valley Regional Conference, covering Ohio, Western Pennsylvania, West Virginia, and Eastern Michigan



DETROIT, MICHIGAN

October 24-25

Midwest Credit Women's Conference



NEW YORK CITY

October 26, 27, 28

(New dates)

Annual Conference of American Petroleum Credit Association



WORCESTER, MASSACHUSETTS

November 3-4

Annual New England District Credit Conference, covering Connecticut, Rhode Island, Massachusetts, Maine, New Hampshire, Vermont



SAN FRANCISCO, CALIFORNIA

May 16-20, 1954

58th Annual Credit Conference and Convention, National Association of Credit Men

Ninth District Representatives Organize Bank Farm Service

A new organization of farm service representatives of banks in the Ninth Federal Reserve district aims to help promote desirable changes in local agriculture, improve the quality of loans and better public relations with agriculture, as well as to exert favorable influences on local agricultural development.

At the organizational meeting in Minneapolis the following officers were elected: president, Tony L. Westra, vice president, Northwest Security National Bank of Sioux Falls, S.D.; Stephen J. Urs, First National Bank, Glasgow, Mont., vice president; Elvin Thue, farm representative, Worthington (Minn.) National Bank, secretary; and Franklin Parsons, associate director of research, Federal Reserve Bank of Minneapolis, corresponding secretary. Named senior advisor was K. J. McDonald, president of the Ravalli County Bank, Hamilton, Mont.

Veteran Executive Tribute

Completion of 50 years of uninterrupted service with the Pure Oil Company and its predecessors brought honors to Clarence H. Jay, secretary and treasurer, Chicago. Mr. Jay started at Columbus, Ohio, as a meter reader of Central Ohio Natural Gas and Fuel Company.

Broadening His Outlook

Each supervisor at Lance, Inc., in Charlotte, N.C., must spend a month in the personnel department, while the assistant foreman gains experience by taking over in his stead. Another example of the company's inter-departmental training program: foreman sent into field with salesman. (Mill & Factory)

MANAGEMENT IN THE NEWS

Inland Steel Vice President Was Country School Teacher

Russell L. Peters, named a vice president of the Inland Steel Company and continuing as treasurer as well, had an interestingly varied career in education, business, and service of the State of Illinois before he resigned as executive secretary of the Illinois Public Aid Commission to become assistant treasurer of Inland Steel in 1942.

Country school teacher and grade school principal before enlisting in the Navy in 1918, Mr. Peters was successively with Keystone Steel and Wire Company at Peoria, in his father's lumber business, and an assistant cashier at Trivoli State Bank before becoming athletic director and commercial instructor at Trivoli high school. Leaving to attend Illinois State Normal University, after graduation in 1925 he entered the faculty of Washburn Township High School, then completed an advanced accountancy course at LaSalle Extension University and joined Arthur Andersen & Company, C.P.A.'s. On leave of absence he became chief auditor of the Illinois Emergency Relief Commission, then executive secretary of the Public Aid Commission, prior to association with Inland Steel.

All-American Tackles Problems As President of Acme Steel

All-American in Cornell University's football annals and lineman with Chicago's professional Cardinals, Fred M. Gillies, new president of the Acme Steel Company, has had long experience in tackling problems, whether of the gridiron or a major industry. Mr. Gillies, who succeeded Carl J. Sharp on the latter's accession to Acme Steel's board chairmanship, had been executive vice president.

At Inland Steel Company 28 years before joining Acme in 1950, Mr.

Gillies had served variously as plate mill superintendent, assistant general superintendent and general superintendent and works manager. He had taken a leave of absence in 1949 to become production executive of the Allied Steel Commission in Germany.

Mr. Gillies was a U. S. Navy aviator in World War I and for the last several football seasons has been advisory coach of the Chicago Bears.

Cost Accountants' Leader Now Company Vice President

William B. McCloskey, controller of the Davison Chemical Corporation, Baltimore, Md., since 1946, has been elected to a vice-presidency. A native of Maryland, he is a graduate of Baltimore Pace Institute and well known in accounting and industrial management fields. He joined Davison in 1930 after being associated with the National Fertilizer Association for three years. Mr. McCloskey has served as president of the National Association of Cost Accountants, and is a member of the Maryland Association of Certified Public Accountants as well as the American Institute of Accountants. He is state vice-chairman of the 1953 Cancer Crusade.

Learned Accounting Teamwork As College Football Captain

Loyal W. Puckett is accounting executive with the Gulf Brewing Company, whose operations extend into Texas, Oklahoma, New Mexico and Arizona. He is a native Texan, interested in all sports, and at one time was captain of his college football team. In World War II he served 23 months with the Navy in the Pacific theatre of operations. Mr. Puckett, in his third year on the board of directors of the Houston Association of Credit Men, has been named president of the organization.

Prepared for Credit Career With Six Years in Sales Work

When Harold W. Potts joined the sales department of the Enterprise Aluminum Company, Massillon, Ohio, in 1935, his intended goal was the credit department. In the six years spent in sales he attended various night courses in credits and collections and allied subjects. At the start of World War II he joined the Republic Steel Company in the credit department, remaining until he entered the Armed Forces. After serving two years in Europe, Mr. Potts returned to Massillon and rejoined Enterprise Aluminum Company as credit manager. He is a member of the Massillon Chamber of Commerce, and recently was elected to the presidency of the Canton (Ohio) Association of Credit Men.

In Bank Positions Since He Was Graduated at Lafayette

A graduate of Lafayette College with a B.S. degree, Archie W. Mabon started his business career in the credit department of the Chemical Bank & Trust Company of New York City. Later he joined the Continental Bank & Trust Company, also in New York, as assistant manager, and continued until 1945. Since then he has served as assistant vice president in the credit and loan division of the Merchants National Bank and Trust Company of Syracuse, N.Y. His credit activities have been many—member of Robert Morris Associates, instructor of courses in American Institute of Banking, former member and officer of Bank Credit Associates in New York, and a director of the Syracuse Credit Men's Service Corporation. He is now in the presidency of the Syracuse Association of Credit Men.



R. L. PETERS



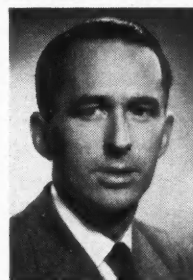
W. B. McCLOSKEY



L. W. PUCKETT



H. W. POTTS



A. W. MABON



F. M. GILLIES

CREDIT AND FINANCIAL REPORTER

□ *Brief Items on Credit Activities and Meetings* □

LOUISVILLE, KY.—The Louisville Credit Men's Association joined with the Louisville Chamber of Commerce and Kentucky Society of Certified Public Accountants in sponsoring a Salute Dinner, honoring the establishment of the school of business of the University of Louisville. Kentucky Governor Wetherby gave the words of welcome and T. Coleman Andrews, U. S. commissioner of internal revenue, Washington, was the principal speaker.

KALAMAZOO, MICH.—William A. Paton, professor of economics, University of Michigan, spoke on "Shirt Sleeve Economics" at the spring dinner meeting of the Credit Association of Southwestern Michigan.

NEW ORLEANS, LA.—Attorney S. Paul Weiss, of the law firm of Weiss and Weiss, addressed a luncheon meeting of the New Orleans Credit Men's Association. His subject was "Jurisdiction and Procedure of the Civil Court."

DES MOINES, IOWA.—The Credit Women's Group of the N.A.C.M., Central Iowa Unit, presented an instructive program on "Applications for Credit" under the direction of Patricia Rogers of the United Federal Savings and Loan Association, with Louis Leach, of O'Dea Chevrolet Co., as M.C. A discussion followed regarding the importance of obtaining proper information on customers and prospective buyers.

KANSAS CITY, MO.—Richard D. Yennie, former interpreter for the United States and British Governments at the Far Eastern tribunal war crime trials, told of his experiences and observations at the dinner membership meeting of the Kansas City Wholesale Credit Association. A fellowship hour preceded the dinner.

NEW YORK, N.Y.—Co-sponsoring a panel forum, the New York Credit & Financial Management Association and the New York State Society of Certified Public Accountants adopted the theme of "The C.P.A. and the Credit Executive—Their Responsibilities to Each Other and to the Business Community." Harry J. Delaney, executive vice president, Meinhard, Greeff & Co., Inc., was moderator. Panel members, representing the accountants, were: George J. Hutt, Aronson & Oresman; Morton I. Davis, Homes & Davis; Al Jennings, Lybrand, Ross

Bros. & Montgomery. Representing the credit executives were: B. P. Schoenfein, The Public National Bank & Trust Co., Paul E. Hunter, Pacific Mills, and A. A. Schirmer, American Sugar Refining Co.

RICHMOND, VA.—J. Phillips Coleman, senior vice president, First and Merchants National Bank, spoke on "Credit from the Bankers' Standpoint" at the monthly dinner meeting of the Richmond Association of Credit Men.

BALTIMORE, MD.—Anselm Sodaro, State's Attorney of Baltimore City, spoke on "The Crime Situation," at the Baltimore Association of Credit Men meeting, following a fellowship and "Renew Old Acquaintances" hour. Morris Powdermaker, London Guarantee & Accident Co., was chairman of the meeting.

DALLAS, TEXAS.—Warren G. Harding, chairman of the Dallas Fire Prevention Council, spoke on "Fire Prevention" at a luncheon meeting of the Dallas Wholesale Credit Managers Association. At a second luncheon meeting of the association, John Fox Holt, attorney, and instructor in local life insurance agencies, spoke on "Creditor's Rights on Life Insurance—If Any."

HARTFORD, CONN.—James N. Jones, treasurer, Decatur and Hopkins Co., Boston, addressed the Connecticut members of the credit association on "Increasing Credit Problems in 1953."

SYRACUSE, N.Y.—Raymond Rodgers, professor of banking in the School of Commerce, Accounts and Finance and in the Graduate School of Business Administration of the New York University, addressed the members of the Syracuse Association of Credit Men on "Credit to the Rescue of Business."

NEWARK, N.J.—P. B. Nold, general credit manager, Continental Can Co., Inc., New York City, and chairman of the N.A.C.M. legislative committee, spoke on "Training Credit Department Personnel," at the meeting of members of the New Jersey Association of Credit Men.

MINNEAPOLIS, MINN.—A round table discussion on "Current Business Conditions" featured the monthly meeting of the Minneapolis Association of Credit Men, with Frank Emrick, Range Oil Supply Co., acting as dis-

cussion leader. Participating in the discussion were: Gordon Murray, president, First National Bank of Minneapolis; Dr. E. G. Booth, business analyst, U. S. Department of Commerce; David E. Sedgwick, president, Waterman Waterbury Co.; and E. C. Vorlander, credit executive, Minneapolis-Honeywell Co.

SAN FRANCISCO, CALIF.—Hubert J. Soher, economic consultant, recently returned from Europe, where he was a member of a United States survey team investigating Mutual Security Aid, addressed the monthly meeting of the Credit Managers Association of Northern and Central California, on "The Economic Outlook."

GRAND RAPIDS, MICH.—Amos F. Paley, vice president and trust officer, Michigan National Bank, spoke on "Wills," at the credit association membership luncheon.

PORTLAND, ORE.—Virgil H. Langtry, circuit judge, spoke to the members of the Portland Association of Credit Men on "Your Taxes and the Divorce Court."

MILWAUKEE, WIS.—"A Man's Greatest Asset—Credit," was the subject of James Dornoff, vice president, Pate Oil Co., and past president of the Milwaukee Sales Managers Club, addressing the monthly meeting of the Milwaukee Association of Credit Men.

CINCINNATI, OHIO.—A series of luncheons of the Cincinnati Association of Credit Men programed George C. Young, president of the Better Business Bureau, speaking on "Curtailling Rackets," J. Mack Swigert on "New Trends in Labor Relations," and a panel presentation on "Insurance on Accounts Receivable."

TOLEDO, OHIO.—John Goerlick, chairman of the board of A. P. Parks Corp., was featured speaker at the 47th annual meeting of the Toledo Association of Credit Men. His topic was "The Credit Executive in a Growing and Expanding Organization."

SOUTH BEND, IND.—"Current Credit Trends, Their Attendant Problems and Suggested Solutions" was the subject of a panel meeting of the N.A.C.M. St. Joseph Valley Chapter, with Dick Anderson, secretary of the association, as moderator. Panel members were: Travis Pearse, St. Joseph Bank & Trust Co.; Noel J. Roe, O'Brien Corp.; and George Rose, State Bank of Nappanee.